



Management  
Discussion  
and Analysis

**2Q23**



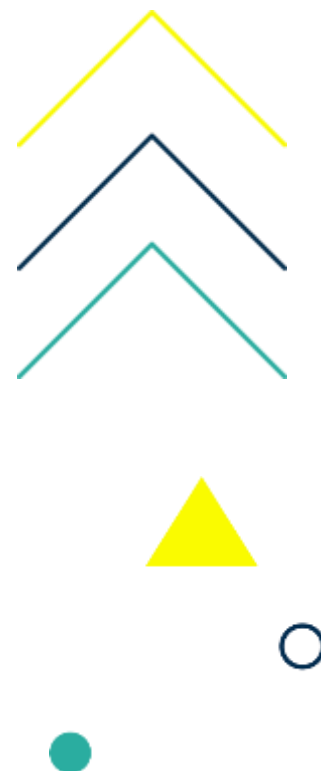
## Management Discussion and Analysis 2<sup>nd</sup> Quarter/2023

This report makes references and statements about expectations, planned synergies, growth estimates, earnings projections and future strategies projections regarding Banco do Brasil's Conglomerate. Such statements are based on current expectations, estimates and projections of management about future events and financial trends that may affect the business of the Group.

These references and statements are not guarantees of future performance and involve risks and uncertainties that could extrapolate the control of management, and thus can result in balances and values different from those anticipated and discussed in this report. The expectations and projections depend on the market conditions (technological changes, competitive pressures on products, prices, among others), the macroeconomic performance of the country (interest and exchange rates, political and economic changes, inflation, changes in tax legislation, among others) and international markets.

Future expectations based in this report should consider the risks and uncertainties about the business of the Group. Banco do Brasil has no responsibility to update any estimate contained in reports published in previous periods.

The tables and charts in this report shows, in addition to the accounting balances and values, financial and managerial numbers. The changes of relative rates are calculated before rounding procedure in millions of R\$. Rounding utilized follows the rules established by Resolution 886/66 of IBGE's Foundation: if the decimal number is equal or greater than 0.5, it increases by one unit, if the decimal number is less than 0.5, there is no increase.





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# Presentation



The Management Discussion and Analysis Report (MD&A) presents Banco do Brasil's economic and financial situation. Addressed to market analysts, shareholders, and investors with quarterly periodicity. The reader can find information about profitability, productivity, loan portfolio quality, capital structure, capital market, structural data, among others. At the end of the report, the Management Report, the Financial Statements, and the Notes to the Financial Statements are available to the reader.

The MD&A and other documents can be accessed on the [Investor Relations' website](#), where additional information about Banco do Brasil is also available, such as: structural information, corporate governance and sustainability, material facts and information to the market, presentations, corporate events, among others. All documents related to the earnings release can be consulted in the [Results Center](#) as well as download in the Investor's Kit.

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# Highlights

**Adjusted  
Net Income  
R\$8.8 bi**  
in 2Q23 and  
**R\$17.3 bi** in  
1H23

**+2.8%**  
over 1Q23 and  
**+19.5%**  
over 1H22



# Highlights

## Net Interest Income

**R\$22.9 bi**

in 2Q23 and

**R\$44.0 bi** in

1H23

**+8.2%**  
over 1Q23 and  
**+36.0%**  
over 1H22



## Highlights

# Loan Portfolio Expanded View

was

**R\$1,045 bi**

in Jun/23

**+1.2%**

over Mar/23 and

**+13.6%**

over Jun/22



# Highlights

Common  
Equity  
Tier 1  
**12.21%** in  
Jun/23

Capital  
Adequacy  
Ratio  
**15.72%**  
in Jun/23





## Highlights

### Administrative Expenses

**+3.9%**

over 1Q23 and

**+7.4%**

over 1H22

Cost to  
Income  
Ratio 12m

**28.3%**

in 2Q23



# Highlights

**Fee**

**Income**

**R\$8.3 bi**

in 2Q23 and

**R\$16.4 bi** in

1H23

**+1.9%**  
over 1Q23 and

**+6.8%**  
over 1H22



# Earnings Summary

Banco do Brasil recorded adjusted net income of R\$8.8 billion in 2Q23, up 2.8% QoQ and 11.7% YoY. ROE was 21.3%.

In the quarter, earnings were influenced by the good commercial performance and loan portfolios' increase, which had a positive impact of +8.2% on the Net Interest Income (NII) and Fee Income (+1.9%), especially those related to loan disbursements. Regarding the expenses, there was an increase in ALLL Expanded View (+22.6%), due to non-payroll lines risk worsening in the individuals portfolio and due to the worsening of risks in the companies portfolio, impacted by the increase in the credit risk's level of a company in the large corporate segment that filed for a court-supervised reorganization process judicial recovery in January 2023, moving from risk F (50%) to risk G (70%). Administrative expenses (+3.9%) remained under control, reflecting the proper management of contracts and investments in the Bank's digital transformation.

In the year-to-date comparison (1H23/1H22), adjusted net income was R\$17.3 billion (+19.5%), with emphasis on the performance of the NII (+36,0%), influenced by the good results of the loan portfolio and securities allocated in treasury. Fee Income was up 6.8%, notably in commercial segments such as consortium and insurance. Net Gains from Equity Method Investments was up 38.4%. On the other hand, there were increases in ALLL Expanded View (+128.8%) and in Administrative Expenses (+7.4%), in line with the employees' salary increase in the last collective agreement (8.0%).



# Statement of Income

Table 1. Summary Statement of Income – R\$ million

	2Q22	1Q23	2Q23	Chg. %		1H22	1H23	Chg. %
				2Q22	1Q23			
Net Interest Income	17,056	21,161	22,887	34.2	8.2	32,388	44,048	36.0
ALLL Expanded View	(2,937)	(5,855)	(7,176)	144.3	22.6	(5,695)	(13,031)	128.8
ALLL – Recovery of Write-offs	2,136	1,889	2,150	0.6	13.8	4,247	4,039	(4.9)
ALLL – Credit Risk	(4,581)	(4,148)	(8,495)	85.5	104.8	(9,067)	(12,644)	39.4
ALLL – Impairment	(146)	(3,237)	(340)	132.5	(89.5)	(269)	(3,577)	-
ALLL – Discount Granted	(347)	(359)	(491)	41.6	36.9	(605)	(849)	40.3
Net Financial Margin	14,119	15,306	15,711	11.3	2.6	26,692	31,017	16.2
Fee income	7,847	8,132	8,286	5.6	1.9	15,372	16,418	6.8
Administrative Expenses	(8,305)	(8,698)	(9,035)	8.8	3.9	(16,505)	(17,733)	7.4
Legal Risk <sup>1</sup>	(1,527)	(1,463)	(971)	(36.5)	(33.6)	(3,101)	(2,433)	(21.5)
Other Operating Income <sup>2</sup>	(177)	(260)	(901)	409.6	246.0	(934)	(1,161)	24.3
Profit Before Taxation and Profit Sharing	11,956	13,017	13,091	9.5	0.6	21,524	26,108	21.3
Income and Social Contribution Taxes	(2,491)	(2,564)	(2,335)	(6.3)	(9.0)	(4,052)	(4,899)	20.9
Employee and Directors Profit Sharing	(995)	(1,089)	(1,120)	12.5	2.8	(1,843)	(2,208)	19.8
Non-Controlling Interests	(602)	(814)	(851)	41.3	4.5	(1,129)	(1,666)	47.5
Adjusted Net Income	7,867	8,550	8,785	11.7	2.8	14,500	17,335	19.5
One-Off Items	(178)	(343)	(431)	142.0	25.6	(131)	(774)	492.0
Net Income	7,689	8,207	8,354	8.7	1.8	14,370	16,561	15.2
ROE - %	20.8	21.0	21.3			19.7	21.4	

(1) Group containing the balance of the line 'Civil, Tax and Labor Claims'; (2) Group containing the result of the lines 'Other Provisions', 'Net Gains from Equity Methods Investments', 'PREVI - Benefit Plan 1', 'Previ - Update of Utilization Fund', Tax Expenses, 'Other Income / Operating Expenses' and 'Non-Operating Result'.



# Financial Margin

## Net Interest Income (NII)

In 2Q23, the Net Interest Income (NII) was R\$22,9 billion, up 8.2% QoQ (2Q23/1Q23) and 36.0% YTD (1H23/1H22).

In the quarter, Financial Income increased by 6.7% (4.1% in Loan Operations and 15,3% in Treasury) benefiting from the growth of the loan portfolio and securities issued respectively. Furthermore, there was

growth of 5.3% in the Commercial Funding expenses and 0,2% in Institutional Funding expenses.

In the half-year comparison, contributed to the increase in NII the 38.2% increase in Financial Income (31.6% in Loan Operations and 63.1% in Treasury Result), driven by the growth in volumes and rates of the loan portfolio. and securities issued, partially offset by the increase (40.5%) in Financial Expenses.

**Table 2.** Net Interest Income (NII) and Net Interest Margin (NIM) – R\$ million

	2Q22	1Q23	2Q23	Chg. %		1H22	1H23	Chg. %
				2Q22	1Q23			
Net Interest Income	17,056	21,161	22,887	34.2	8.2	32,388	44,048	36.0
Financial Income	33,649	42,390	45,245	34.5	6.7	63,412	87,635	38.2
Loan Operations	26,196	32,304	33,614	28.3	4.1	50,099	65,918	31.6
Treasury <sup>1</sup>	7,453	10,086	11,631	56.1	15.3	13,313	21,716	63.1
Financial Expenses	(16,593)	(21,229)	(22,358)	34.7	5.3	(31,024)	(43,586)	40.5
Commercial Funding	(13,827)	(18,073)	(19,195)	38.8	6.2	(25,700)	(37,268)	45.0
Institutional Funding <sup>2</sup>	(2,766)	(3,156)	(3,163)	14.4	0.2	(5,324)	(6,319)	18.7
NIM - % <sup>3</sup>	3.8	4.6	4.9			3.6	4.7	
Risk Adjusted NIM - %	3.1	3.3	3.4			3.0	3.3	

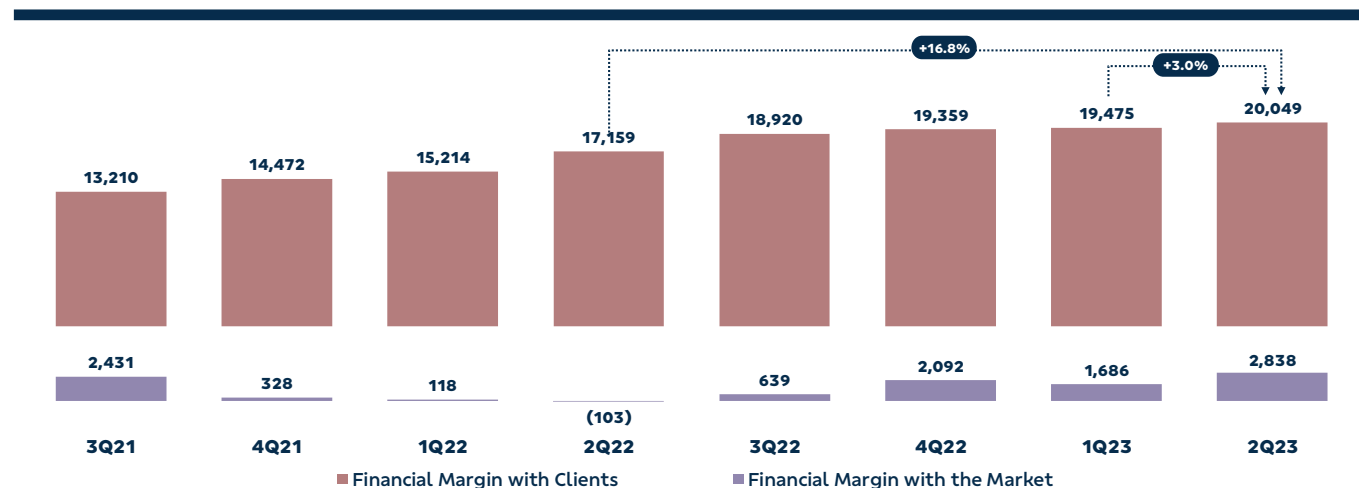
(1) It includes the result from interest, tax hedging, derivatives, and other financial instruments that offset the effects of the exchange rate variation on result; (2) It includes senior bonds, subordinated debt, and domestic and abroad hybrid capital and debt instruments; (3) Net Interest Income/Earning Assets Average, annualized.



## Managerial Financial Margin

Aiming to provide greater transparency and comparability to the investor market, as of the 2nd quarter of 2023, Banco do Brasil will present, in addition to the financial view (relocated), its Net Interest Income with Clients and with the Market view.

Figure 1. Historical Data – Financial Margin with Clients and Market– R\$ million



In 2Q23 the Margin with Clients increased 3.0% QoQ, explained by the increase in average, balance as well as the increase the spread, 8.8% to 8.9%. In the Margin with the Market, the result can be explained, mainly, due to the increase in the result of securities allocated in treasury and in the financial margin of Banco Patagonia during the quarter.

In the half-year comparison, the Margin with Clients (+22.1%) was driven by growth in the average balance and clients spread, with the variation in the spread mainly related to the improvement in the margin of liabilities. In the Margin with the Market, the growth is explained by the increase in the average Selic rate (6.5% in 1H23 versus 5.42% in 1H22), with a direct impact on the remuneration of free securities and committed operations, in addition to the growth of Banco Patagonia financial margin.

More information on the composition of the Financial Margin with Clients and Market is available in Chapter 2 of this document.

Table 3. Financial Margin with Clients and Market – R\$ million

	2Q22	1Q23	2Q23	Chg. (%)		1H22	1H23	Chg. (%)
				2Q22	1Q23			
<b>Net Interest Income</b>	<b>17,056</b>	<b>21,161</b>	<b>22,887</b>	<b>34.2</b>	<b>8.2</b>	<b>32,388</b>	<b>44,048</b>	<b>36.0</b>
Margin with Clients	17,159	19,475	20,049	16.8	3.0	32,374	39,524	22.1
Average Balance	806,985	913,999	933,243	15.6	2.1	800,266	923,621	15.4
Clients Spread <sup>1</sup>	8.78	8.80	8.87	1.1	0.9	8.25	8.74	5.9
Margin with the Market <sup>2</sup>	(103)	1,686	2,838	–	68.3	14	4,524	–

(1) Comparing with the accounting/financial view presented at the beginning of this chapter, the Margin with clients is essentially formed by the Income from Loan Operations with private securities, net opportunity expenses for each type of operation, and Commercial Funding Expenses and Compulsory deposits, plus opportunity incomes for each type of operation; (2) Similarly, the Margin with the Market essentially consists of Treasury Income (excluding private securities), Institutional Funding Expenses, Banco Patagonia's NII and net income from opportunities (income/expenses) plus income of compulsory applications.





## ALLL Expanded View

Expanded ALLL was R\$ 7.2 billion in 2Q23, up 22.6% QoQ and up 144.3% YoY.

**Table 4.** ALLL Expanded View – R\$ million

	2Q22	1Q23	2Q23	Chg. %		1H22	1H23	Chg. %
				2Q22	1Q23			1H22
ALLL Expanded View	(2,937)	(5,855)	(7,176)	144.3	22.6	(5,695)	(13,031)	128.8
ALLL Expenses - Recovery of Write-offs	2,136	1,889	2,150	0.6	13.8	4,247	4,039	(4.9)
ALLL Expenses - Credit Risk	(4,581)	(4,148)	(8,495)	85.5	104.8	(9,067)	(12,644)	39.4
ALLL Expenses - Impairment	(146)	(3,237)	(340)	132.5	(89.5)	(269)	(3,577)	-
ALLL Expenses - Discounts Granted	(347)	(359)	(491)	41.6	36.9	(605)	(849)	40.3

**Recovery of Write-Offs:** Up 13.8% QoQ and up 0.6% YoY, due to the good business performance.

**Credit Risk:** 104.8% increase compared to the previous quarter and 85.5% increase compared to 2Q22.

In 1Q23, there was a change in the debt profile of a specific client in the large corporate segment, with the deconstitution of provision (R\$2,546 million), with the concomitant recognition of an impairment loss resulting from the change in the debt profile (from loans to securities). Also, in the quarter, there was an additional provision for a company in the large

corporate segment that filed for a court-supervised reorganization process judicial recovery in January 2023, moving from risk F (50%) to risk G (70%), with an impact of R\$338.8 million. In the individual portfolio, there was a non-payroll lines risk worsening.

**Impairment:** Down 89.5% QoQ and up 132.5% YoY. The drop in the quarterly comparison is explained by the change in the debt profile, mentioned in the Credit Risk topic.

**Discounts Granted:** Up 36.9% QoQ and up 41.6% YoY, due to the renegotiation campaign in 2Q23.



## Fee Income

Fee income was R\$8.3 billion in 2Q23, up 1.9% QoQ, positively influenced by loan operations and guarantees (+26.6%) and consortium (+5.6%) operations. This performance reflects the good commercial performance, with higher loan disbursements, notably for wholesale customers, and an increase in the commercialization of consortiums in the period, which reached 104 thousand new quotas in a total of R\$8.5 billion.

In the half-yearly comparison, up 6.8%, with a positive performance in most business lines, with emphasis on the growth of R\$266 million in insurance, pension plan and premium bonds, due to the increase in revenues from brokerage.

**Table 5.** Fee Income – R\$ million

	2Q22	1Q23	2Q23	Chg. %		1H22	1H23	Chg. %
				2Q22	1Q23			1H22
<b>Fee Income</b>	<b>7,847</b>	<b>8,132</b>	<b>8,286</b>	<b>5.6</b>	<b>1.9</b>	<b>15,372</b>	<b>16,418</b>	<b>6.8</b>
Asset Management	2,129	2,056	2,035	(4.4)	(1.0)	4,089	4,091	0.1
Checking Account	1,544	1,573	1,629	5.5	3.6	3,034	3,201	5.5
Insur., Pens. Plans & Premium Bonds	1,142	1,306	1,281	12.2	(1.9)	2,321	2,587	11.5
Loans and Guarantees	582	525	664	14.2	26.6	1,043	1,189	14.0
Credit/Debit Cards	585	674	618	5.7	(8.2)	1,145	1,292	12.9
Consortium Management Fees	348	573	605	73.9	5.6	893	1,179	32.0
Collections	383	371	359	(6.2)	(3.1)	751	730	(2.9)
Billings	257	254	253	(1.7)	(0.5)	511	507	(0.7)
Contract Processing	243	234	241	(0.5)	3.2	392	475	21.3
Subsidiaries Abroad	206	225	219	6.5	(2.6)	403	445	10.2
Nat. Treasury & Manag. of Official Funds	93	85	85	(8.4)	0.7	181	170	(6.0)
Capital Market	120	79	85	(28.9)	7.7	213	164	(22.8)
Foreign Exchange Services	64	63	85	33.3	34.2	127	148	16.5
Other	152	114	124	(18.3)	8.5	268	239	(11.0)

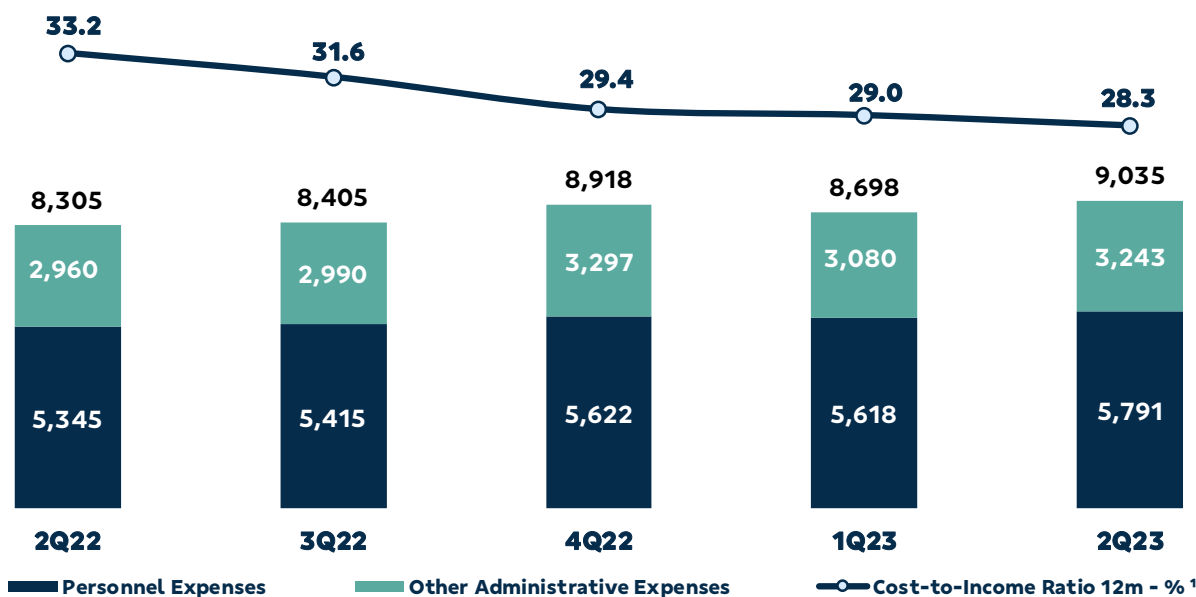


# Administrative Expenses and Cost-to-Income Ratio

In 2Q23, administrative expenses were R\$9.0 billion, up 3.9% QoQ, due to the increase of 5.3% in Other Administrative Expenses and 3.1% in Personnel Expenses.

In comparison with 1H22, administrative expenses grew 7.4%, within the range of the Corporate Projections. The cost-to-income ratio accumulated in 12 months was 28.3%, the best level of the historical data.

Figure 2. Administrative Expenses – R\$ million



(1) Cost-to-Income Ratio: Administrative Expenses / Operating Income. Data referring to the Income Statement with Reallocations.



# Capital Adequacy Ratio

In June/23, the Capital Adequacy Ratio was 15.72% and Tier I was 14.13, being 12.21% of Common Equity Tier 1 (CET1). The CET1 increased 20 bps in the quarter, mainly explained by the incorporation of net income to the shareholder's equity, discounted of allocated dividends, on the first quarter of 2023 (+0.51 p.p.).

Figure 3. Capital Adequacy Ratio – %

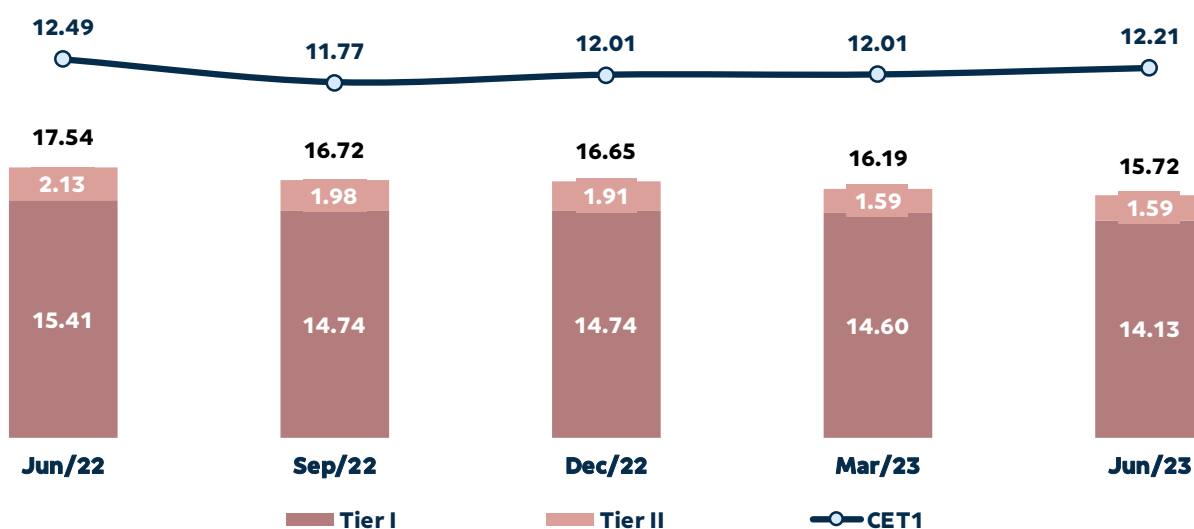


Figure 4. Changes in Common Equity Tier 1 (CET1)- %





# Loan Portfolio

In June/23, Banco do Brasil’s Expanded Loan Portfolio was R\$1.045 trillion, which includes, in addition to the Classified Portfolio, private securities and guarantees, corresponding to a quarterly growth of 1.2%.

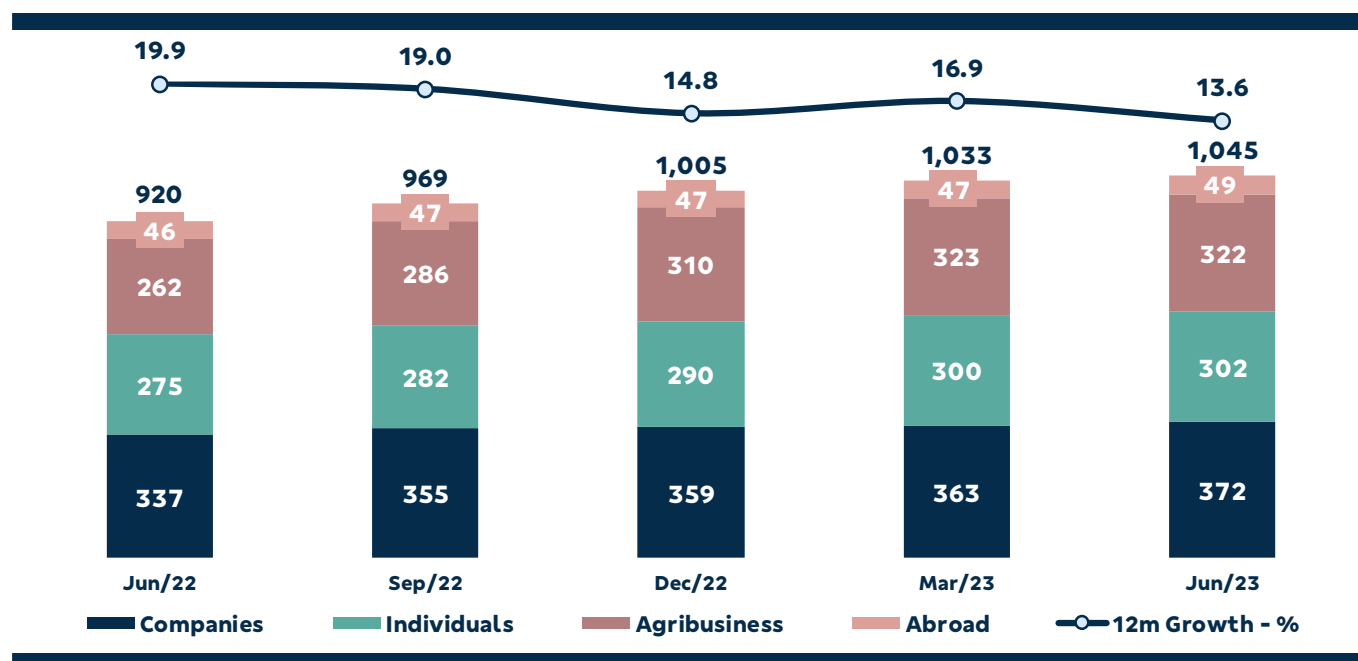
In YoY comparison, the growth was 13.6%. In both comparison periods, positive performances were observed in all business segments.

The individuals expanded portfolio grew 0.6% QoQ and 10.0% YoY, mainly due to the positive performance in payroll loans (+2.0% QoQ and +9.3% YoY).

The companies expanded portfolio showed QoQ growth of 2.5% and 10.4% YoY. Highlight to the increase of working capital (+1.4% QoQ and +6.8% YoY), investments (+7.2% QoQ and +8.1% YoY), and ACC/ACE (+10.5% QoQ and +24.8% YoY).

The agribusiness expanded portfolio was down 0.3% QoQ and up 22.7% YoY. The quarterly drop reflects the settlement of working capital operations, which occurs seasonally in the last quarter of the Crop Plan. In 12-month comparison, highlight for working capital (+30.6%) and investment operations (+46.8%).

Figure 5. Expanded Loan Portfolio – R\$ billion



(1) Series revised in March/23 for private securities and guarantees and expanded companies loan portfolio.



## Credit Quality

In June/23, the NPL +90d (ratio between transactions more than 90 days overdue and the classified loan portfolio balance) was 2.73%, below the Brazilian Banking Industry, and the coverage ratio (ratio between allowance for losses associated with credit risk and the balance of transactions overdue for more than 90 days) was 201.3%.

In the quarter, part of the credit operations with the specific customer of the large corporate segment that filed for judicial recovery in January 2023 started to impact the delinquency indicator above 90 days. Without this impact, Banco do Brasil's NPL+90d would be 2.65%.

Figure 6. NPL +90d of Classified Loan Portfolio - %

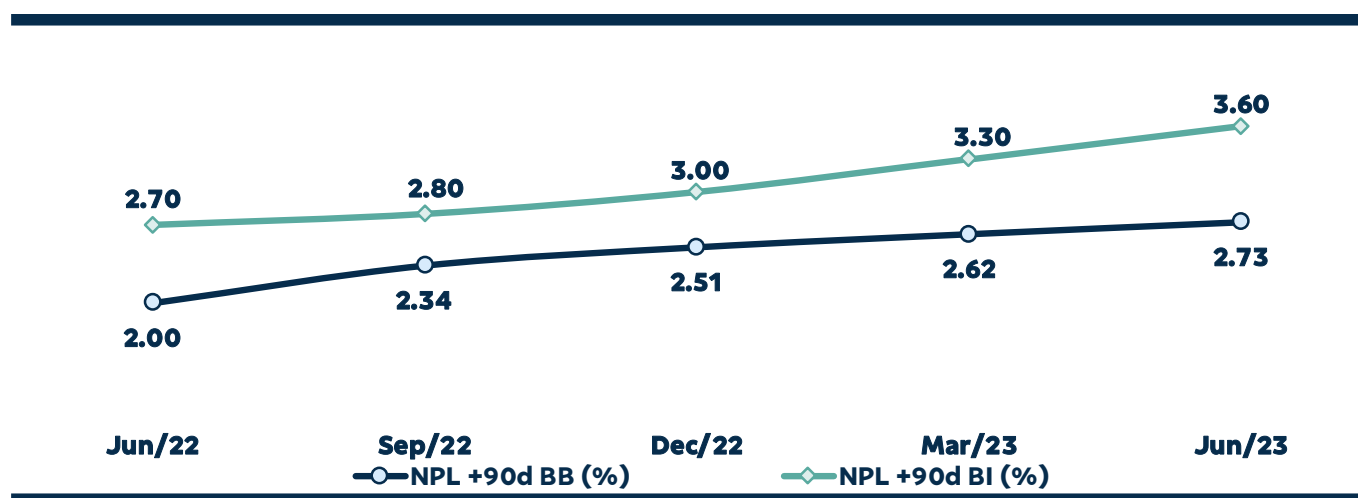
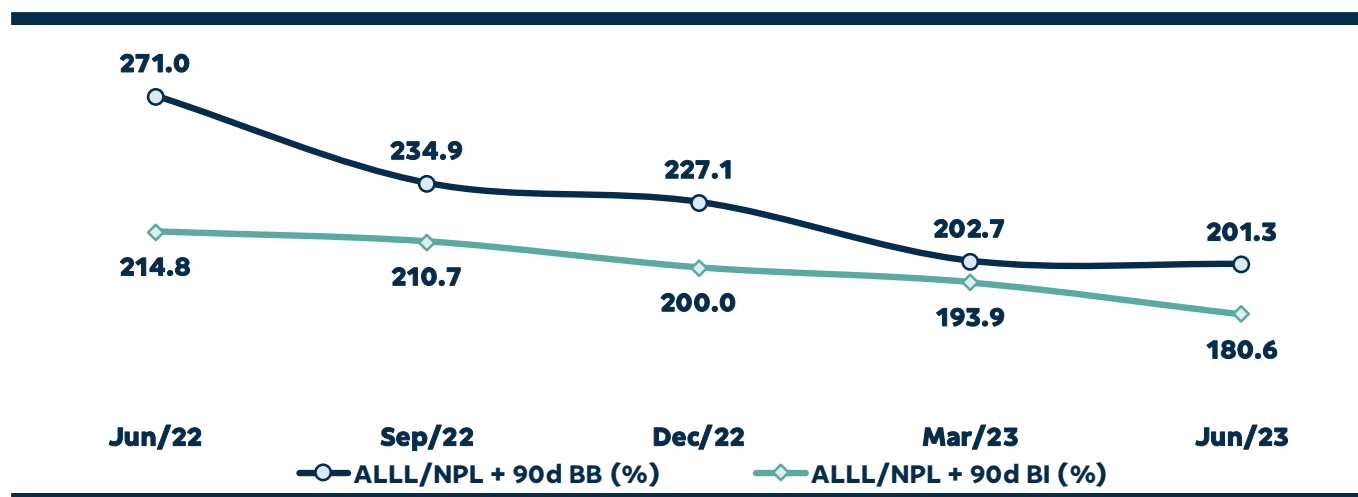


Figure 7. Coverage Index of Classified Loan Portfolio - %







# Guidance

Banco do Brasil's guidance is prepared and presented for the reference year, with quarterly appraisal, where the indicators can remain unchanged or be revised. Although the indicators are expected to close the year within the estimated ranges, the progress does not happen in a linear way, so that the values observed in the intermediate periods are guiding until their full comparability is possible at the end of the reference year.

The estimates are based on management's current expectations and projections about future events and financial trends that may affect the BB Conglomerate's business. Information on the assumptions used in the preparation of the 2023's Guidance can be obtained both in the [2023 Reference Form](#) and in the [4Q22 MD&A](#).

Table 6. 2023's Guidance<sup>1</sup>

	Released	Observado 1S23	Reviewed
Loan Portfolio*	growth between <b>8.0% and 12.0%</b>	<b>+15.3%</b>	growth between <b>9.0% and 13.0%</b>
Individuals	growth between <b>7.0% and 11.0%</b>	<b>+10.0%</b>	<b>unchanged</b>
Companies	growth between <b>7.0% and 11.0%</b>	<b>+13.5%</b>	growth between <b>8.0% and 12.0%</b>
Agribusiness	growth between <b>11.0% and 15.0%</b>	<b>+22.7%</b>	growth between <b>14.0% and 18.0%</b>
Net Interest Income	growth between <b>17.0% and 21.0%</b>	<b>+36.0%</b>	growth between <b>22.0% and 26.0%</b>
ALLL Expanded View	between <b>R\$ -23.0 and -19.0 billion</b>	<b>-R\$ 13.0 billion</b>	between <b>R\$ -27.0 and -23.0 billion</b>
Fee Income	growth between <b>7.0% and 11.0%</b>	<b>+6.8%</b>	growth between <b>4.0% and 8.0%</b>
Administrative Expenses	growth between <b>7.0% and 11.0%</b>	<b>+7.4%</b>	<b>unchanged</b>
Adjusted Net Income	between <b>R\$ 33.0 e 37.0 billion</b>	<b>R\$ 17.3 billion</b>	<b>unchanged</b>

(\*) The loan guidances considers classified domestic loan portfolio, added to private securities and guarantees, and does not include government loans.

(1) The guidance is based on Management's current expectations, estimates and projections about future events and financial trends that may affect the conglomerate's business and are not a guarantee of future performance, in addition, they involve risks and uncertainties that may go beyond control of Management, and may, therefore, result in balances and results different from those presented. Management's expectations and projections are linked to market conditions (technological changes, competitive pressures on products, prices, among others), the country's general economic performance (interest and exchange rates, political and economic changes, inflation, changes in legislation taxation, among others) and international markets.



# Customer Experience

Banco do Brasil has the customer at the center of its strategy and build a long-term relationship with him offering an excellence experience. For this, BB works on four fronts: (i) engagement and profitability, offering face-to-face and digital advice and making its solutions available considering the individual preferences of each customer, through its hyper personalization strategy; (ii) loyalty and retention, with close relationship and personalized communication, improving customer satisfaction; (iii) action in ecosystems, promoting a chain of value, going beyond traditional banking; and (iv) expansion and rejuvenation, optimizing journeys and attracting new customers.



## One bank for each customer

Banco do Brasil looks at the customer in a complete way, breaking the traditional barriers of segmentation and knowing their interests, consumption habits, lifestyle, values and affinities. With the extensive use of data, BB understands and values what is important to each one, promoting a close relationship that goes beyond the banking core.

BB uses more than three thousand attributes and its thousands of combinations to get to know its customers more and more, strengthening the relationship and seeking to deliver a Bank to each customer and through these models, identifies patterns of behavior, needs and interests of customers.

The use of analytical intelligence allows to understand and personalize actions, communication, benefits and relationship, with the use of 48 propensity models and external variables. The daily processing of analytical models is currently applied to more than 183 million customers, with personalization of rates, propensity to consume products, efficiency in price decision making, sophisticated risk models and prevention of money laundering, among other solutions. All BB's relationship actions with the customer go through the data protection system.

The offers and approaches are based on recommendations of the Bank's CRM, in which more than 183 million customers and potential customers are analyzed daily, resulting in more than two and a half billion offer possibilities, distributed in 39 categories of business suggestions.

After refining and prioritizing the propensity of each customer to the suggestion and relevance of the offer to the moment of life, BB delivers monthly in the channels (physical and digital) more than 310 million business indications and opportunities adhering to the customer's profile.

Seeking to deliver a unique experience, integrated and aligned with the objectives and moment of life of customers, BB is evolving its CRM into a market-leading cloud solution. Allied to this transformation, BB is also investing in a new Contact Center tooling.

The combination of these two fronts will allow us to evolve in the delivery of journeys and experiences in the context of interaction with customers, generating more value, scalability and hyper personalization – a Bank for each customer.

## Where, how, and when the customer wants

At BB, the customer has service throughout Brazil, in the channel he chooses. BB have made progress in the migration of the service structure to lighter, more efficient and specialized models, which results in an integral experience in the channels and expands the Bank's capillarity, ensuring the best convenience for customers. BB has enabled business and innovations to be always close and available to customers, whether they are in the branches, in the App, in social networks or in the metaverse.

In recent years, there has been a significant evolution in the migration of transactions to digital channels, but at the same time, human contact remains relevant, by physical or remote means, for advice, business and demands of



greater complexity. Complementarity is necessary so that the experience is fluid both in digital self-service and in person as in remote service.

## More satisfied customers

Banco do Brasil's initiatives to improve the customer experience have shown positive results in terms of satisfaction. The Net Promoter Score (NPS) has been showing constant evolution, closing the quarter with an increase of approximately 13 points compared to 2Q22. Active listening and understanding of customer needs are at the heart of BB's actions.

After each service performed, the Bank forwards an evaluation survey to the customer and the grade received is linked to the evaluation of the employees' half-yearly performance, to ensure that the quality of service and customer satisfaction are a common objective for all.

The consequence of the constant monitoring of customer needs and satisfaction reflects in the decrease of complaints in the SAC, in the BB Ombudsman and in the better positioning in the ranking of the Central Bank. The resolute action of the Bank's employees ensured a prominent position among the five largest financial institutions in the country, as well as among the other banking and payment institutions.

In addition, BB uses other internal metrics to monitor and assess customer satisfaction, both with customer service interactions, as well as with products, applications and experience, in general, in qualitative research. These metrics assist in decision making and eventual route adjustment on some point where the Bank can improve.

## Customer centricity

### Listening to the customer

The realization of a Customer Council is a continuous strategy in line with Banco do Brasil's purpose: "To be close and relevant in people's lives at all times".

The Customer Councils are attended by senior representatives of Banco do Brasil and customers of all service models. The objective is to amplify the voice of the customer at the various levels of the Bank and bring it to the center of decision-making, in favor of

the continuous improvement of the relationship and the best delivery of the Value Proposition for the different customer profiles. In these initiatives, customers had the opportunity to share their perceptions, experiences and anxieties about Banco do Brasil's service, services and solutions, strengthening and consolidating the culture of customer centricity.

## Base Expansion and Rejuvenation

### Expanding the customer base

With an increasingly open and integrated scenario, the search for customer principality and engagement is increasingly present with the intensive use of data

through the hyper-personalization of offers and an omnichannel experience. In 2Q23, BB continued to implement improvements in the account opening



process and to induce the branch network to attract new customers.

### **Base Rejuvenation**

Engaging the young public, expanding their participation in the Company's results, continues to be one of the strategic drivers for BB's performance in 2023. BB adapts its products and services to the moment of life of this customer with the promotion of experiences that make sense to the public.

The Bank carries out a series of actions to get even closer to young people, both through the language and the channels they use, to promote an experience connected to the behavior of this age group, innovating in the format and experience with the BB brand.

Among underage customers who opened an account via the BB App, the engagement rate reaches 90%, with recurring use of the account in the last 90 days. Of these, 60% already use the card for purchases in the "crebito" (Debit and Credit). Pix is the most popular solution among young and teen customers, with more than 57% having already used Pix to receive or pay, reaching nearly 778,000 transactions in the second quarter of 2023. It is important to highlight the interest of part of the public in financial planning. Currently, 22% of customers have already made some kind of financial investment.

It is important to note that all actions directed at the underage public are done ethically and responsibly. Although they are not the buyers, children have a great power of influence over the purchasing decisions of adults. Faced with this challenge, the Bank has intensified its presence in global platforms for

## **Engagement and monetization**

Banco do Brasil has approximately seven million individual customers with access to the managed

children and young people. After launching a game on the largest gaming platform in the world, "Roblox", the Bank began to reap the fruits of this strategy, which seeks to engage children and young people with experiences promoted by BB.

The case "Metaverse Brablox" was the winner of the 11th edition of the Global Finance Award – The Innovators 2023 in the category Top Innovations in Finance 2023 – Marketing. This award is considered by the financial community as a standard of excellence in innovation for the world. In this annual awards edition, Global Finance recognizes entities that regularly identify new paths and design new tools in finance.

The strategy continues to prioritize the university public, one of the gateways of young people into the banking system, and this requires increasingly bold initiatives of attraction, adaptation to the desires and needs of the new generations.

For this audience, omni-consumer, the interest is the digital convenience and higher limit on the credit card. For this, BB has developed a totem that presents itself as a holographic sales assistant. The solution interacts with the student and helps him open his university account, generating the personalized card on the spot.

The advantage is that the hologram interacts with the customer by presenting commercial content with a navigation defined by it, supported by emerging technologies – 3D holography, voice command, presence sensor, sound and synchronized lighting. This solution was presented in June and will be used in the pop-up format as part of the activations with the public.

models. The offer of differentiated value propositions has been a winning strategy in the search for customer



satisfaction and engagement, through the specialization of service and strengthening of the relationship and generation of sustainable results in customer segments and priority niches, such as liberal professionals, military, investing public, proventistas (customer who receives salary through bank), rural producers and young public.

### **Proventista Strategy**

The customers receiving salaries linked to public and private employers exercise great representation in the Retail individual market of Banco do Brasil. For this reason, BB operates in three areas: (i) attraction of new proventista customers, who receives salary through bank, either through the conquest of new payrolls or by offering salary portability in favor of BB; (ii) monetization, engaging the customer base with a focus on offering products and services appropriate to the needs and preferences of each customer profile; and (iii) retention, providing the centralization of the customer's financial transactions and the maintenance of the relationship with the receipt of salary in the Bank.

In line with the purpose of "Being close and relevant in people's lives at all times" and aligned with the objective of being present and proactive to delight customers, Banco do Brasil uses several mechanisms to get to know the public in advance, providing personalized communication, with emphasis on the benefits available and the journeys associated with these customers. This approach allows you to generate sustainable businesses and offer an experience of excellence, reinforcing BB as the best institution for relationship and receipt of your salary.

### **Relationship cycle and context offerings**

Banco do Brasil guides its relationship cycle actions by mapping the customer journey, considering its value proposition according to its segmentation, thus delivering the best interaction at the most appropriate

time and in the ideal channel, maintaining proximity to hyper-personalized approaches that integrate the omnichannel customer journey. With a focus on technology and humanized service, qualified, personalized and assertive offers are made through analytical models that observe the context and moments of the customer's life, seeking to anticipate their needs and expectations in the relationship with BB.

The Bank continues to expand the use of artificial intelligence, Big Data and Analytics, with a focus on improving the customer experience and knowledge. In this sense, in 2Q23 automated offers that consider the context of the customer, and their best offer were expanded. There are more than 196 million quarterly approaches to individual customers with personalized communication according to their behavior and consumption profile and their preferences for interaction with the Bank, aiming to take advantage of all customer contact points with BB to offer a better experience.

The context interactions start from the relationship cycle, considering the micro moments of the customer's journey with BB, allowing the capture of needs and opportunities in real time that can generate business or strengthen relationships. As an example, the context actions with Open Finance's data sharing offering, which allowed the achievement of more than 1.9 million records in June 2023. This collected data is already used in analytical models in order to improve the experience and solutions offered to customers.

In 2Q23, approximately 800 customer-oriented communication strategies were implemented, with more than 3,000 individuals and companies' clusters identified from analytical intelligence, using predictive models and consumption propensity.



It deserves special mention the performance and performance on the date of opportunity of Mothers' Week and Valentine's Week. The strategy, carried out during the months of May and June, boosted R\$5.1 billion in business.

### **Individual BB Relationship Program**

In the second quarter of 2023, the BB Benefits Platform continued to evolve in expanding and personalizing its offerings to customers. Seeking to improve the financial efficiency of the Individual Relationship Program and ensuring customer satisfaction, BB delivers benefits increasingly aligned with the level of relationship, moment of life and consumption profile of customers.

Taking advantage of the partnerships to leverage business and achieve strategic objectives, the Bank created the individual Promotions Center, structuring promotional actions that offer mobile bonuses, points draws and prizes. The business objectives of the promotions follow the challenges posed for each period and are made possible through the partnerships of the BB Benefits Program.

The "Acelera Ourocard" initiative stood out with a total of 1.4 million of customers approached, R\$3.3 billion in incremental revenues, showing the potential for commercial leverage of these actions.

Within the scope of "Vantagens BB", BB's couponing platform, the number of offers made available to the

customer was expanded. There were 417 coupons published, including BB products, shares for accumulation, rescuing and donation of points, which represents an increase of 52% over the previous quarter.

In the "Cashback with Points" vertical, which allows customers to use the accumulated points to pay or reimburse water, energy, BB products, among others, R\$57.6 million were disbursed in 2Q23, 67% higher than in the same period last year.

The BB Benefits Club, the Bank's subscription club, grew by approximately 5% in gross revenue compared to the same period of the previous year. The Bank has evolved together with partners in the personalization and cloud delivery experience of rewards related to health, education, leisure, streaming, wellness, among others.

In the BB Benefits Program points ecosystem, there was a record number of engaged customers, an increase of 12% compared to the same period last year. This result stems from the various strategic and commercial actions carried out on the BB Benefits Platform, representing an important lever in the recurrence, engagement and loyalty of the customer base, since customers engaged with BB Benefits have a contribution margin of 30 to 50% higher than those not engaged, depending on the segment.

## **Loyalty and retention**

### **Rural Producers**

Agribusiness has been one of the main growth vectors of BB's credit portfolio, reflecting the growth and transformation of the sector, of fundamental importance in the result of the national economy, with a leading role in the supply of grains, meat, among other products in the international scenario.

Banco do Brasil, as the largest partner of agribusiness, provides service and products aimed at the segment in all branches. To further improve the relationship and proximity with rural producers, BB provides a specialized portfolio



model to serve these customers, with dedicated relationship managers and a specific training track. In the 1st half of 2023, this model surpassed the mark of one thousand portfolios, located in 724 municipalities and offering specialized service to 295 thousand customers.

## INSS Beneficiaries

In order to increasingly improve the INSS beneficiary's experience, BB offers a new ecosystem of exclusive advantages in BB services and partner companies, aligned with the expectations and needs of this public. Accessible through the "My INSS +" icon, available on the BB App and in the Citizen Center, there are several special conditions such as Bonus Points, Telemedicine, discount on protection insurance, among others.

INSS is the acronym for the National Institute of Social Security, the public body responsible for paying retirement benefits and other benefits to Brazilian workers and other insured persons – such as individual micro-entrepreneurs and individual taxpayers.

## Specialization of the relationship with Micro and Small Enterprises

To improve the service structures for micro and small companies, through specialized branches and platforms, Banco do Brasil continues to work on the continuous improvement of the relationship with corporate customers that have Annual Gross Revenues (FBA) of up to R\$30 million. The specialization, in addition to the positive impact on customer satisfaction, allows to advance in the commercial strategy of acting by niches and economic sectors, with delivery of value propositions aligned with the characteristics and needs of each target segment, as well as solutions in credit, cash management, foreign trade and investment advice.

The Bank has a base of 2.9 million SME customers. There are 4.4 thousand companies service points in the country, reinforcing the importance given to the segment. We have the largest specialized and qualified network of service and relationship for micro and small companies.

There are more than 7,000 employees directed to serve these customers, 215 exclusive branches, 374 business platforms and more than 1,600 specialized SME points to provide service for this profile. The structure also includes a support center for MSEs, with more than 300 professionals specialized in credit processes, bank collection and payroll.

## Evolution in customer centrality through cash management

The specialized relationship, increasingly personalized and close to micro and small businesses, allowed to increase the centrality and evolution of BB's results obtained with cash solutions, both in the entry and in the loyalty and profitability of the companies' cash

flow. The constant operational improvements implemented in these solutions, such as the reduction of the journey time to pay QR Code Pix and the update of the Pix BB API to offer more functionalities – Pix with expiration, "Pix Withdrawal" and "Pix Troco" – the





customer pays more with Pix and receives the change – add value to entrepreneurs and support in the attraction and loyalty. Compared to 1H22, there was an increase of 247.5 thousand active customers with Pix key registered with BB, which represents a growth of 23.4% in the period.

Regarding the banking domicile market "the machines", the launch of WhatsApp Business was highlighted, in partnership with Cielo, which allows companies customers to use a new functionality: P2M transactions (acronym for peer-to-merchant, or people for companies). The solution allows BB account holders accredited in Cielo to use the WhatsApp messaging application as a direct sales channel, that is, they sell and receive without having to leave the conversation with their customers.

Another highlight was the evolution of the business obtained with digital payroll, with a 7% growth in the number of customers using the solution. Fopag Digital is a service in constant improvement, in view of its great importance for the segment, since it aims to facilitate the day to day of companies' customers in the payment of the salaries of their employees. In addition to adding more security and solidity for micro and small companies, it safeguards them in the legal aspects of payment of salaries.

These actions in cash solutions also reflect on the total volume invested in investment funds customized and adapted to the reality of MSEs, reflecting a growth of R\$12.5 billion in the average of daily fund balances in the last 12 months, an increase of 26%.

## Performance in niches and value chains

BB has increased its focus on business with the value chains of companies in the government and agribusiness sectors, offering credit and services to its networks of suppliers and partners, generating synergies that add results and bring benefits in all links of the production chains.

Acting in strategic niches in the micro and small business market allows us to offer more personalized experiences, promoting the verticalization of BB's strategy with these audiences. About 300 thousand customers, classified in the franchises, foreign trade, agribusiness, and investor niches are benefited by delivering a value proposition aligned with their specific needs, strengthening the relationship and expanding business with these companies.

BB supports the franchising sector through the BB Franchise Program, which offers solutions to modernize and expand the business, differentiated rates, special shortage for working capital, discount on rates, dedicated team with managed and exclusive service, as well as exclusive advantages for franchisees in implementation. BB reached 518 brands and more than 8,200 SME account holders, which already total R\$664 million in credit balance in June 2023, a growth of 19% compared to 2Q22.

To support the sector even more closely, Banco do Brasil was present at the 30th edition of ABF Franchising Expo, the largest franchise fair in the world, organized by the Brazilian Franchising Association (ABF), which took place in São Paulo.

The event brought together more than 400 brands and added more than 60,000 visitors in four days. The specialized BB Franchise team provided assistance to visitors to the booth informing the benefits of the agreement, advice for those who intend to invest or expand their business in the sector and exposure to 163 new brands.



## Expansion of international business with the First Export Program

The First Export Program, launched in March 2023 in partnership with the Brazilian Trade and Investment Promotion Agency (ApexBrasil), reached more than 1,200 registered companies.

The pre-selected public was invited to participate in the digital journey of learning and advising with a team of BB specialists to carry out a customized export plan.

The BB team of experts has already provided more than 170 advisory services, supporting the program's entrants with information to export safely, in accordance with the legal requirements, documentation and records necessary to export, as well as the forms and solutions of payments in this market. They also presented strategic planning tools to support the knowledge of the rules and regulations of the destination countries.

The program, created to support the growth of micro and small companies towards the international market, ratifies BB's positioning as a partner of micro and small enterprises and delivers solutions that go beyond the offer of financial products and services, reinforcing BB's commitment to add value to small businesses and the development of the country.

## Hyper-personalized communication for SME customers

In order to enrich the partnership and business journey through assertive and hyper-personalized communication, BB implemented the Multichannel Retail companies Solution, which allows automating the recommendation of the Bank's solutions to micro and small business customers in digital channels.

The strategy, oriented to the personalized experience, has the legal entity customer as the central object. With the application of analytical intelligence, the treadmill uses technology to transform information and consumption habits into more adherent offers aligned with the needs of companies, increasing the Bank's presence in times of opportunity, while contributing to the continuity of the business and the delivery of long-term value.

Defined based on several attributes such as buying behavior, next best offer model, business cycle and company profile, communication is also used to reinforce the concept of personalization. The use of

tone appropriate to the entrepreneurial activity and creative line aligned with its context, ensures greater connection and proximity with customers.

In just three months of implementation, the initiative already demonstrates great potential in its application. During this period, more than 643,000 micro and small business customers received approaches originated by the Multichannel Treadmill.

The delivery of personalized communication combined with the use of analytical intelligence supports the Bank's other strategies and contributes to business conversion, whether in the digital channel or in the branch environment. The impacted customers made more than 17,000 working capital contracts, with a total disbursement of R\$1.8 billion in credit, and registered more than 6,300 new Pix keys, moving about R\$45 million of receipts at BB.

With expansion expected throughout 2023, the Multichannel Retail companies Solution reinforces the



values of proximity and partnership for the corporate retail segment, with the commitment to deliver value solution offerings for micro and small companies.

## **Innovative solutions that support small business management**

### **Company Panel**

BB launched the reconciliation of sales by card and the digital financial assistant, or Business Coach. Both solutions are integrated with the Company Panel, a simple and intuitive platform that brings illustrated and unified views of companies' cash flow information, facilitating management, efficiency and productivity.

Reconciliation allows the control of sales by card, in a simplified and intelligent way, with a unified view of multiple machine companies, flags and types of sale (credit and debit), all in one place, with the consent of the customer for data sharing.

BB is the only Bank to offer this innovative solution, which allows to improve the management and planning of companies, saving time and resources. Combined with Open Finance, the customer has the global vision of his enterprise in one place, regardless of where he has an account, card banking addresses and machines. The solution allows BB to increase the generation of direct revenues in tariffs, given its high demand and added value.

The Business Coach is a system of alerts and management tips, elaborated from the data of cash flow, sales and custom, to support companies in the management of their business, through personalized and useful information for the day to day. With the use of analytical intelligence to add value to the business of companies customers, the Business Coach brings predictive recommendations through alerts and insights customized to the company. There are already 23 topics ranging from summaries and totalizers, cash flow mismatch alerts, to indicative of business opportunities. The focus of the messages is to bring high-impact content to the company, which allows decision making or elaboration of business strategy on the part of entrepreneurs.

### **Company League**

Another important step of BB to act in the ecosystem of micro and small companies is the Company League platform, available at [www.ligapj.com.br](http://www.ligapj.com.br). The solution reached the mark of 1.3 million views, with more than 90 thousand readers registered in its weekly newsletter.

To advance in the evolution of the platform and improve the integrated community experience in this entrepreneurial ecosystem, innovations were implemented that include the visual identity of Banco do Brasil, logged-in area for personalized user experience, BB showcase with presentation of the main solutions for the entrepreneurial public, new multimedia content, file repository and track of distance education courses for entrepreneurial training.



## Female Entrepreneurship – Women at the Top

The Women at the Top initiative is a broad strategic action to support women who wish to undertake or grow their businesses. The strategy ranges from specific financial solutions for women to actions in entrepreneurial education, health, safety, events and corporate actions, also bringing offers and promotions of the Bank to women. BB has in its customer base 43% of the companies run by women, representing 36% of the balance of the loan portfolio.

BB's intention is to be present in the lives of Brazilian women at all times of their entrepreneurial journey, in a relevant and close way. Among the initiatives to encourage female entrepreneurship, BB provides credit for women with different conditions, whether individuals or legal entities, entrepreneurs and those who work in agribusiness. With a focus on entrepreneurship, in the second quarter alone, R\$16 billion were disbursed to companies with women leaders, with exclusive rates for this segment. In addition to the financial solutions, BB also created the Women at the Top hub, through the [bb.com.br/mulheresnotopo](https://bb.com.br/mulheresnotopo) address, a platform that brings together all the initiatives of the strategy. The hub brings, for example, exclusive content on female entrepreneurship and special discounts on partners.

Banco do Brasil continues to develop several actions to support this public, and the Women at the Top strategy further consolidates BB's performance in female entrepreneurship. The lectures dedicated to women agro and entrepreneurs continue to be held in the Agribusiness Circuit, with the partnership of Sebrae in the Brazilian States. In this second quarter, more than 140 events were held, empowering more than 4,200 women.



## BB Private

BB Private is a relationship model aimed at High Income individuals who need financial advice to manage their wealth, offering personalized and specialized service, with professionals prepared to identify and discuss the best alternatives for customers.

The segmentation model includes two customer profiles – Investors and Mega Rural Producers – and has the largest network of Private Onshore Offices with service structure distributed throughout the country. The segment also has services at BB Securities and BB Americas, both in the USA, as a way to offer global service.

Considering that the Private customer is multibanked, BB uses the relationship model and holistic advice with the Private Manager as a trusted contact of the customer, aiming at a closer relationship for the better identification of the appropriate investment solutions and a consequent increase in business. In addition to the opportunity to attract customers and business, the model adopted aims to maintain the satisfaction of current customers and retention of the business won. BB Private's loyalty strategy permeates four fronts:

Relationship – establishment of long-term relationship, trust, availability and relationship with the Family Group (loyalty generations);

Advisory – specialization and comprehensive view of the heritage, with guidance for diversification of the resource in Brazil and abroad;

Solutions – broad offer in funds, with emphasis on own funds, mirror funds, exclusive, pension funds, as well as treasury products (CDB, LCA, LCI, COE, etc.), private credit, variable income and qualified custody of public securities with competitive conditions, performance and long-term instruments that aim to protect the assets of customers in the Bank.

Global positioning – relationship model and solutions available in Brazil and abroad.

Banco do Brasil Private uses the classic concept of investment diversification, with the construction of allocation models following the theories of Asset Allocation. The Asset Portfolio Allocation Model is based on this theory and focuses on obtaining consistent and adequate returns. The strategies are designed to bring together the best combination of assets and the model that is premised on proposing to customers a reflection on their current investment strategies.

In the Rural Megaproducer segment, BB offers advice on credit and financing solutions, in traditional lines, such as costing, marketing, investment and turnover, as well as on new alternatives related to the Capital Market, with the issuance of CRAs, and sustainability, with Green CPR. In addition, Banco do Brasil provides offshore financing lines with resources from external branches, such as personal loans abroad and direct financial loans for economic activity, and offers customized solutions to customers regarding marketing and hedging strategies, the needs of crop and asset protection and the improvement of cash management and foreign trade businesses.



# Sustainability

Sustainability is incorporated into strategy, which is based on integrating the generation of economic value with transparency, corporate governance, and socio-environmental responsibility.

BB believes in its ability to develop and offer products and services aimed at a low-carbon and inclusive economy, which can increasingly add quality and innovation to customer service and promote less social and environmental impact, strengthen corporate governance, ethics management and transparency; to develop human capital, value diversity and improve environmental and eco-efficiency practices, ensuring the efficient and sustainable use of natural resources.



## Corporate Sustainability

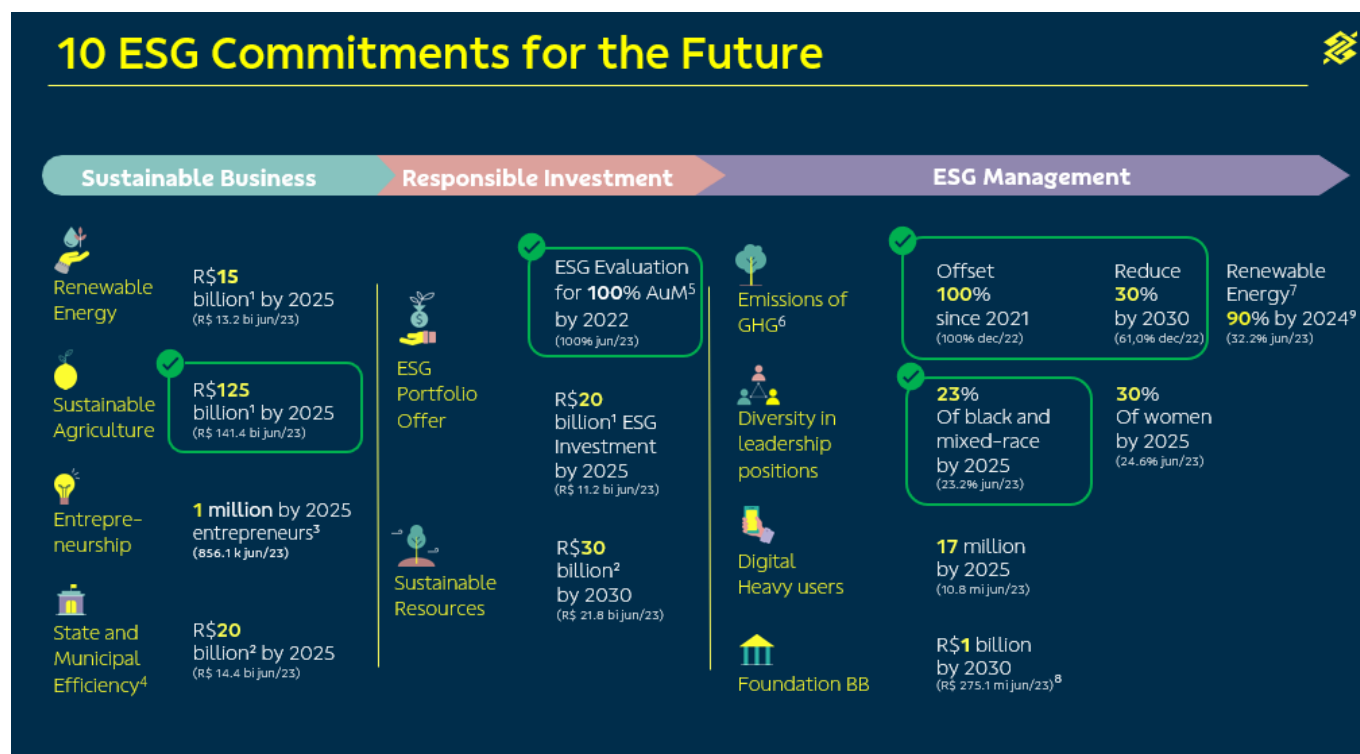
BB adopts the best Environmental, Social and Governance (ESG) practices, allowing to identify and manage risks and opportunities. These assumptions are materialized in the Sustainability Plan – Agenda 30 BB, the main instrument supporting social-environmental practices at BB since 2005 and is aligned with the Sustainable Development Goals (SDGs) of the United Nations (UN) and the Paris Agreement. In 2021, the Plan was revised based on the assessment of national and international trends in sustainability, market indices and sustainability ratings and society demands and has 40 actions and 110 indicators for the period 2021–2023.

The commitment to develop business solutions with social, environmental and climate aspects is guided and declared in our Social, Environmental and Climate

Responsibility Policy (PRSAC). It is also supported by the BB Credit Sustainability Guidelines, which are in synergy with the international commitments assumed by the Brazilian Government, including those related to mitigation and adaptation to the effects of climate change. With national prominence in the development of financial solutions and business models that promote the transition to a sustainable and inclusive economy, BB considers climate change in planning and take advantage of business opportunities for a low carbon economy.

Compliance with sustainability indicators and targets impacts the remuneration of all employees, including senior management, ensuring alignment between business, people and social, environmental and climate issues.

Figure 8. Commitments to Sustainability



(1) In Balance; (2) Disbursements; (3) Entrepreneurs; (4) Agriculture, culture, civil defense, education, energy efficiency and public lighting, sports and leisure, road infrastructure, public cleaning, environment, urban mobility, health, safety and health surveillance; (5) Applicable AuM; (6) Scope 1 and 2. Scope 2 decreased to zero considering the market-based choice (purchase of i-REC's); (7) Renewable energy purchased on the free market (ACL) and own production at the end of the period; (8) According to Budget Execution Summary.

Of the 10 Commitments established, with targets up to 2030, by June/23, the following had already been achieved: (i) to reach R\$125 billion in Sustainable Agriculture by 2025 (achieved with R\$141.4 billion); (ii) to perform ESG assessment on 100% of applicable assets under management by BB Asset until 2022 (100% of assets assessed); (iii) to offset 100% of Direct GHG Emissions from 2021; (iv) to reach 23% of blacks and browns in senior leadership positions; and (iv) to achieve 23% of blacks and browns in senior leadership positions.

## Eco-Efficiency

BB invested in renewable sources to have 90% decarbonized energy in 2024. 62 administrative buildings were migrated to the Free Contracting Environment (ACL), guaranteeing the consumption of clean energy, and achieving accumulated savings of R\$48.2 million since 2018 to the first half of 2023, with a forecast of R\$120.4 million by 2025. In the first half of this year, the ACL project was expanded to 3 consumer units and with a forecast of 9 more, which means clean energy for 12 units by the end of 2023. BB is studying the expansion of another 1,600 units to be migrated to the ACL.

That year, five solar plants were inaugurated – completing 12 units since 2020. All plants have a social counterpart. Since 2020, BB's solar plants have generated around 40 GWh, preventing the emission of more than 13 thousand tons of CO2 into the atmosphere, equivalent to planting a small forest with two thousand trees. In addition to the environmental gains, R\$15.4 million was saved, a 26% saving in relation to the captive market, to reach an expected reduction of R\$436 million in 15 years.





## Sustainable Business Portfolio

In line with BB long-term commitments and with the objective of assisting the clients in the transition to a more sustainable economy, at the end of June 2023, BB reached R\$ 321.6 billion in sustainable credit operations, an increase of 10.0% in 12 months. This amount was contracted in credit operations with a strong environmental and/or social focus or to finance activities and/or segments that bring positive socio-environmental impacts to the sectors of renewable energy, energy efficiency, construction, sustainable transportation and tourism, water, fishing, forestry, sustainable agriculture, waste management, education, health and local and regional

development, in order to reinforce BB’s transforming role in the development of the country and in the construction of an increasingly sustainable future for society.

BB’s Sustainable Loan Portfolio is submitted to an independent evaluation, which considers the main national and international ESG taxonomies in the classification of customers and credit lines that make up the portfolio. The methodology is continuously revised to incorporate the best practices and pioneering references of recent years and to add new products with ESG attributes.

Figure 9. Sustainable Portfolio – R\$ billion

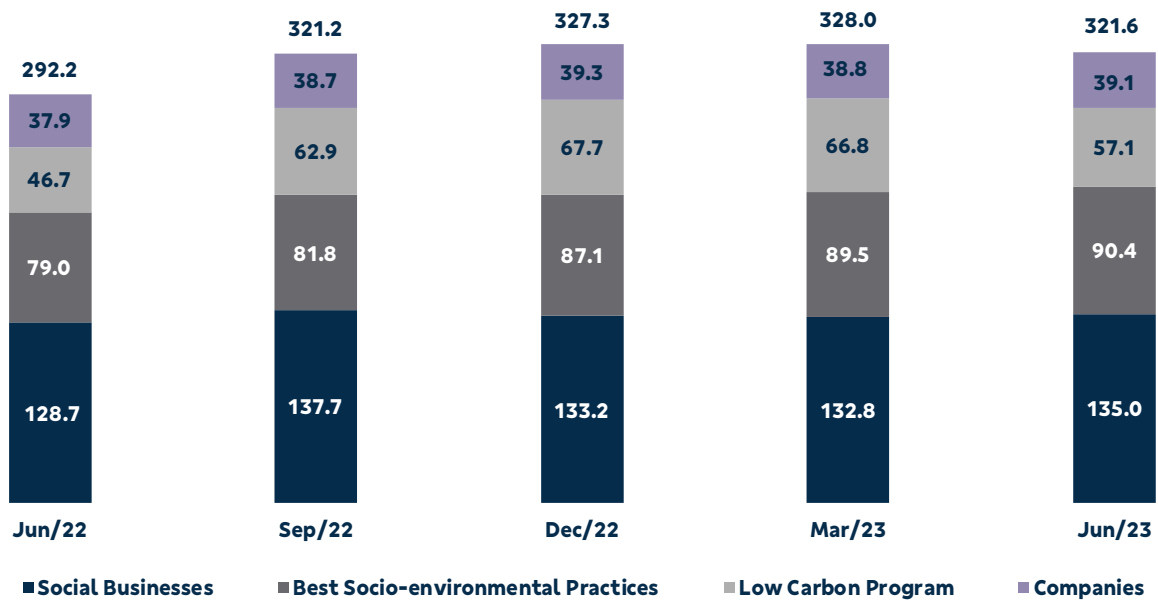


Figure 10. Additionality/Contribution – Sustainable Loan Portfolio



## Sustainable Funding

In April 2023, the first Social Bond Resource Allocation and Socio-environmental Impacts Report was launched. The document complies with the assumptions of BB's Sustainable Finance Framework and received a limited assurance opinion from the independent auditor.

Also in April, BB issued the second international bond within the scope of the Sustainable Finance Framework. The international funding of senior debt, of the sustainability bond type, in the amount of US\$750 million, matures on April 18, 2030, and has a coupon of 6.250% p.a. The funds raised will be allocated to renewable energy projects and to financing micro and small companies, especially those led by women.

The issuance of US\$500 million benefited more than 27 thousand micro and small companies, of which 14.2 thousand (52.5%) are led by women. The loans provided with the funds raised in the operation allowed the maintenance of over 200,000 jobs. The full document is available at <https://ri.bb.com.br/en/corporate-governance-and-sustainability/sustainability/>.



## Carbon Market

BB has reinforced its activities in the voluntary carbon market, supporting its clients in the preparation of projects that generate credits and in the commercialization of credits and offering the possibility of offsetting emissions through the acquisition of carbon credits generated from projects with relevant environmental additionality. BB also offers specific lines to promote projects that contribute to decarbonization.

At the end of the first half, more than 500,000 hectares were preserved in carbon projects, using the avoided deforestation methodology – REDD+. These are projects that combine environmental preservation and income generation for the owners of the areas with improvements for the communities located therein.



# Sustainability Recognitions

## FTSE4 Good Index Series – London Stock Exchange Sustainability Index

In this quarter, for the eighth consecutive year, BB was listed on the FTSE4 Good Index Series – sustainability index of the London Stock Exchange. This year, BB had an evolution in the evaluation of the index, reaching a score of 4.1 out of 5 possible points (in 2022 BB scored 3.6 points). BB was evaluated in the environmental, social and governance dimensions, with emphasis on the maximum score in the environmental perspective.

## ASG by Sustainalytics

In June, BB obtained a better score in the ASG rating by Sustainalytics, reaching the "Low Risk" classification and grade 19.3 (in 2022 BB scored 20.6 – Medium Risk). The assessment reflects BB's performance in matters such as data privacy and security, governance, business ethics, risk management, socio-environmental performance, among others.

## Global 100 – The 100 Most Sustainable Corporations of 2023

Banco do Brasil was recognized as the most sustainable bank on the planet by the ranking of the 100 Most Sustainable Corporations in the World 2023 – Global 100, by Corporate Knights, maintaining its leadership position. BB is the only Brazilian company ranked, ranking 15th among companies in general.

## CFI.co – Most Sustainable Bank in South America

For the second consecutive year, BB received the award for the most sustainable bank in South America, by Capital Finance International magazine – CFI.co, – English publication, which deals with business, economy and finance and uses a wide range of criteria to support awards decisions, based on

information collected by the research team itself. The publication highlighted BB's pioneering role in the carbon market and in building sustainable solutions for its customers.

## Corporate Sustainability Index (ISE)

For the 18th consecutive year, BB is part of the Corporate Sustainability Index (ISE) of B3 – Brasil, Bolsa, Balcão, which brings together shares of publicly traded companies with the best sustainability practices and aims to support investors in making investment decisions and to induce companies to adopt good ESG practices.

## Terra Carta Seal

At the beginning of the year, BB received the Terra Carta Seal from the Sustainable Markets Initiative (SMI), an initiative conceived by King Charles III, which recognizes private sector organizations that lead the global acceleration towards a sustainable transition. In the last edition, only 19 companies received the seal, with BB being the only company in Latin America. And, in Brazil, only Natura and BB have already received the seal.

## The Sustainability Yearbook 2023

BB was featured in The Sustainability Yearbook 2023, which is one of the world's most comprehensive publications on corporate sustainability, ranking companies that are among the top 15% of their sectors based on their performance in the Dow Jones Index of the New York Stock Exchange (DJSI). In this edition, BB was classified in the Top 5% category among banks, for being within the range equivalent to 1% to 5% of companies in the sector in the DJSI 2022 evaluation process.

## Dow Jones Sustainability – DJSI

In addition to the acknowledgments above, it should be noted that Banco do Brasil remains listed in other sustainability indexes, such as the DJSI, of the New York Stock Exchange.



# Digital Strategy

With an increasingly digital Bank, BB has consolidated its presence in complementing the physical network and offering innovative solutions and convenience to clients. The adoption of digital means to carry out various daily services continued to strengthen as a new habit for millions of Brazilians and BB anticipated this movement, fostering business origination and relationships through digital channels.

Banco do Brasil's digital strategy is supported by a set of initiatives that unfold in digital optimization and transformation, some aimed at **preparing and experimenting**, such as the experimentation and new technologies laboratories - BB Lenses -, others to **accelerate and scale**, as in the case of the expansion of Shopping BB, and others focused on **expanding and diversifying**, such as the new business models of Bank as a Platform.



## Interfaces and channels

BB has one of the largest technology parks in Latin America, with peaks above 16 billion transactions per day, and one of the best rated Apps in the financial market, in addition to a comprehensive physical network, which provides convenience in serving its Clients, whenever and wherever they want.

The Bank's technology areas work in harmony with the business and client areas, aiming to accelerate the digital transformation without losing sight of the quality and effectiveness in the face-to-face service to clients.

In the transformation pillar, BB continuously seeks new ways of relating to Clients, offering innovative solutions with digital technologies that make their lives easier and contribute to the generation of results for the institution.

Among these innovative solutions are digital accessibility solutions. Talking about digital accessibility is not just about eliminating barriers: it is also about making the use of technology, whether on the web or in mobile apps, an easy and rewarding experience for everyone. At Banco do Brasil, this is a priority!

Removing barriers is found to benefit a wide range of people - from the elderly to users of mobile devices with different screen sizes, people in varying contexts and environments, and those facing situational limitations such as slow internet connections.

For those with visual impairments, for example, support is offered for screen readers, software that transcribes page content into audio. In addition, for those with low vision, such as myopia, glaucoma, color blindness or retinopathy, BB provides features that allow screen/font enlargement and contrast adjustment, ensuring an optimized user experience.

For clients with hearing impairment, BB has made available tools that transcribe audios into sign language, promoting greater understanding and participation of these clients in digital services.

Finally, BB strives to make digital solutions inclusive, accessible and welcoming.

## Digital Engagement

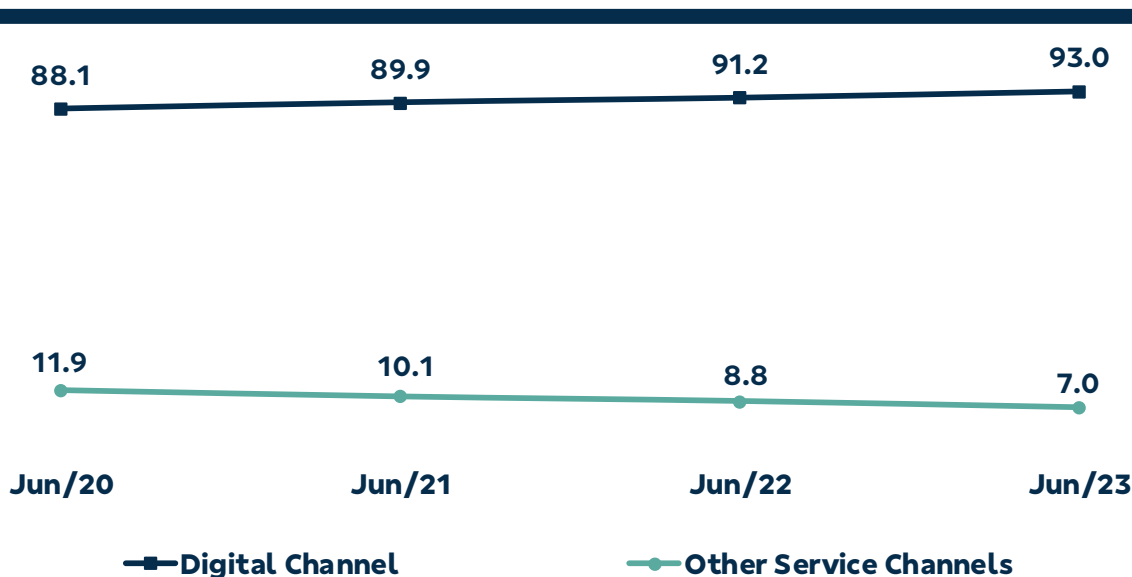
In June 2023, Banco do Brasil had 28.0 million active Clients on digital platforms. Transactions carried out on these channels represented 93% of clients' operations, an increase of 1.9 percentage points compared to 2Q22 .

The Banco do Brasil App remained one of the best rated in the financial industry in the App Stores, with a rating of 4.6 in Google Play (rated by more than 5.98 million users) and 4.7 in the Apple Store (with 2.85 million reviews), on a scale with a maximum score of five stars.

In 2Q23, BB reached the record number of 22.4 million users on the App. Clients not only make inquiries, but also buy, invest and make their financial transactions through BB's app. Digital platforms accounted for 32.8% of personal credit disbursements and 14.6% of payroll loans disbursements. In 2Q23 alone, 26.7% of service operations (such as investment, card application, account opening and business with capitalization, insurance and consortium) were carried out through a digital solution.



Figure 11. Participation of Service Channels in Transactions – %



## “Minhas Finanças Multibanco”

In 2022, the new version of Minhas Finanças was made available to all BB clients. Available on the BB App, it offers the best financial management and education experience on the market, integrated with the advantages and possibilities of Open Finance.

The solution has a summary of all the client's finances, in the option "See My Finances", in addition to the tools Multibanco Statement, Financial Agenda, My Expenses and Financial Planning. The tool continues to be improved and integrated with other Banco do Brasil digital channels.

Since its launch, it has already accumulated more than four million unique users and 1.6 million registered financial plans, allowing Clients to centralize their entire financial life at BB, with an integrated view of their commitments, account and card entries, balances and consumption habits.

## Portal BB

In 2022, a new version of the BB portal was made available to BB clients. This remodeling and update aimed to modernize the channel, allowing the application of new strategies to expand Banco do Brasil's digital presence.

Also noteworthy is the implementation of the Readiness to Innovate Index with a focus on digital presence. Its objective is to improve the positioning of the BB portal in search engines such as Google, making it more relevant to users and supporting the commercial initiatives of transactional channels, such as the application and Internet Banking.

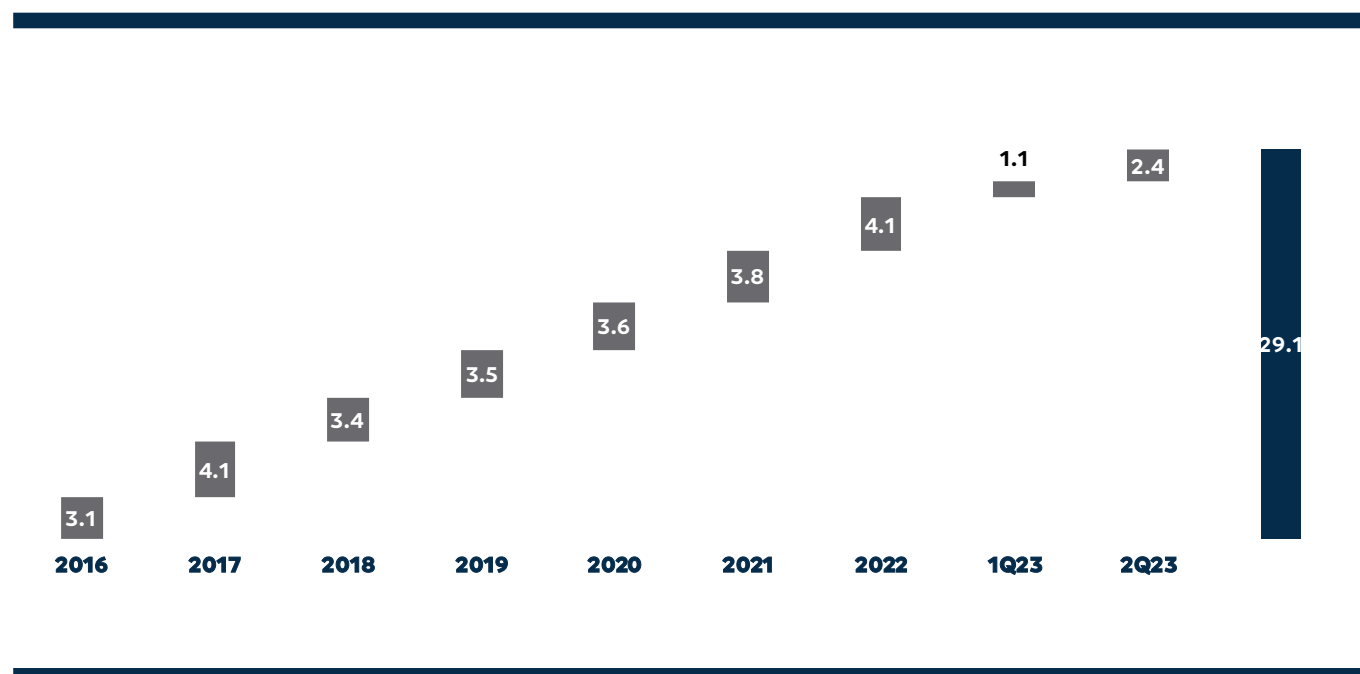


In 2Q23, the channel reached 20.4 million users, like the first quarter of 2023. Of these users, 85% were new, which reinforces the channel's potential to attract new business. This can be seen in the journey of opening a current account in digital channels, where 17% of users, in 1H23, who started opening originated from the BB portal.

## Investments in Technology

In 2Q23, R\$ 2.4 billion were invested. The investments aim to ensure the continuity of the Bank's operating conditions, being associated with the expansion, updating and continuity of services, the increase of the current infrastructure to enable the fulfillment of new business demands and the replacement by obsolescence. In addition, Digital Acceleration projects are beginning to advance, bringing new fronts of engagement, new ways of doing business and supporting BB's cultural transformation.

Figure 12. Investments in Technology – R\$ billion



## Digital Acceleration

BB made key choices to guide the digital strategy, deciding to further advance the evolution and digitization of the core, strengthening the value offer through digital initiatives for relevant segments, capturing synergies and seeking growth beyond traditional sources of revenue (beyond banking, BaaS and BaaP) and leveraging external sources for skills acquisition. The future vision is to scale the agile model within the organization, transforming the way of working.

In continuity with evolution on the innovation and digital transformation fronts, as well as in view of the structural trends that are transforming the global financial market and opening doors for new performance, BB expanded its





digital strategy with the launch, in 3Q22, of a roadmap for accelerating digital transformation through short, medium and long-term investments and actions.

In 1Q23, three initiatives of the working model known as speedboat were prioritized with a new way to accelerate new digital businesses. These initiatives are the pilot of a new way of working, with multidisciplinary teams that act with adaptability, bringing the business and technology areas closer together in an agile development of solutions.

In 2Q23, these solutions expanded their sphere of action. The first initiative was the gamified journey "My Missions" for young people aged 18 to 25, which was launched in April with a pilot test with 150 employees. An increase in both investment volume and credit card spending was observed in this pilot. The second season started in May with 92,000 Clients and more than 1,800 rewards were released considering the proposed objectives and challenges. The contribution margin growth of these Clients grew by more than 90%, demonstrating the scalability potential of "My Missions".

The second initiative was aimed at micro and small businesses with the objective of delivering more ease to Clients with the reconciliation of sales by debit and credit card, within the Company Panel. The solution was for all legal entity Clients with the potential to reach more than 400 thousand Clients. The Card Reconciler allows the entrepreneur to centralize the reconciliation of sales of the main machines and electronic means of payment in the market, improving the control of their cash flow. Along with this solution, the financial assistant of the PJ Panel was created, using analytical intelligence, bringing personalized insights and predictive recommendations for business, taking advantage of the company's moment for business opportunities.

For Investor clients, the third initiative was the Financial Aggregator with Integrated Digital Advisory, which seeks to provide specialized investment advice and allows the consultation of all assets in one place, regardless of the financial institution, through integration with the Brazilian stock exchange (B3). It is already available to all clients in the new Investments app. Currently, more than two thousand clients have already consented to share their investment position at B3 with the Investimentos app.

This initiative is in addition to the advice provided by the WhatsApp chatbot to all the bank's individual clients. More than seven thousand clients have already interacted with the new investment solutions developed within the whatsapp channel. The forecast is to reach more than one million Clients in this new form of advice.

## Virtual Assistants

Operating on several platforms such as WhatsApp, Instagram, Facebook, Twitter, Internet self-service and BB Portal, Banco do Brasil stands out for the number of services and products in its virtual assistant. In the most preferred channel by Clients, WhatsApp, BB registered a growth of 6.5% compared to the first quarter of 2023, reaching 13.1 million active users at the end of the semester. In addition, customer satisfaction with this channel also increased, reaching an evaluation of 4.14, an increase of 1.0% compared to 1Q23, on a scale of 1 to 5. In 2Q23, only 3.4% of WhatsApp conversations needed to be transferred to human service, which demonstrates the great resolutivity of the virtual assistant.

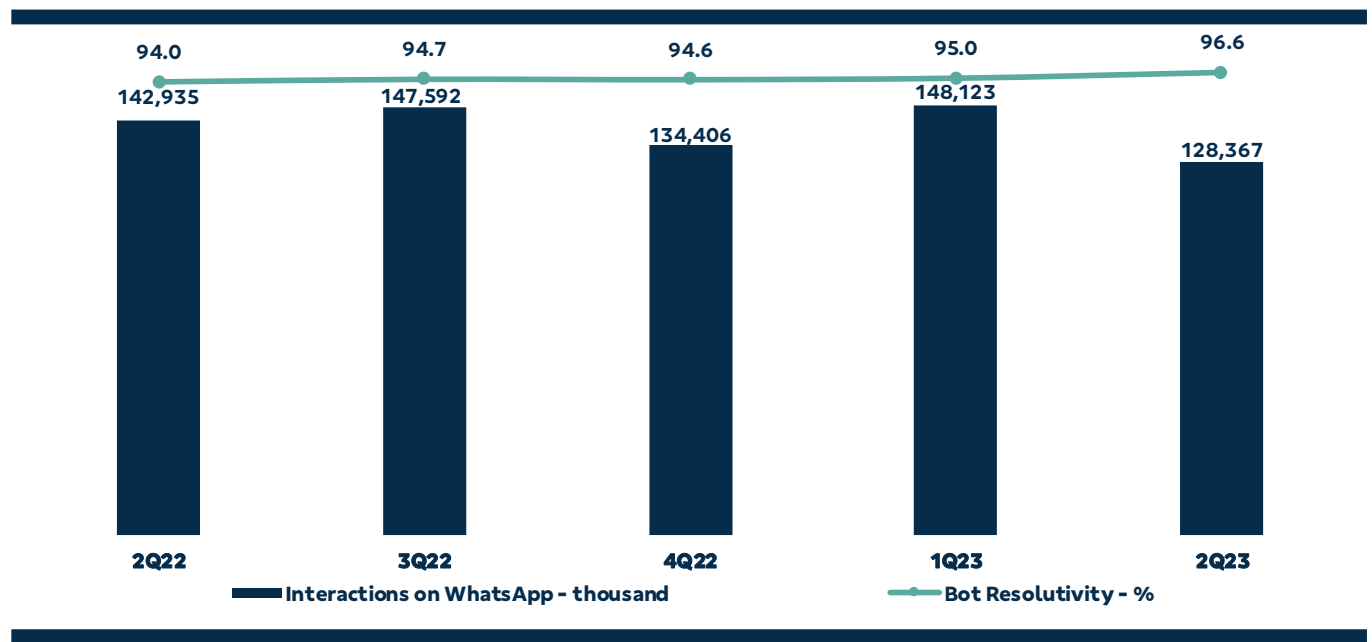


Following its innovative performance in financial assistants, Banco do Brasil made available on WhatsApp agribusiness content such as credit lines, news about the crop of the year and Broto, which is the digital agro platform.

The rural producer can also simulate the financing for the implementation of a solar energy system in their property, after calculating how much will be the savings with energy expenses, from the implementation of the new energy matrix. In addition to information, Clients who have active BB Giro Agro operations can release funds into their checking account, receive reports of charges, amortize the balance, among other functions. All in a practical and safe way and without leaving the WhatsApp channel.

New Minhas Finanças features have also been made available on WhatsApp such as the ATM balance and financial summary.

Figure 13. WhatsApp X Bot Resolute interactions





# New Business

## Shopping BB

With the objective of centralizing and expanding the offer of various non-financial products and services to Clients, BB launched in November/2021, Loja BB, an environment present in the Bank's digital channels that offers marketplace products, gift cards and cell phone recharges. In April/2023, reflecting the continuous improvement of strategy of banking as a platform and its constant expansion, the BB Store was renamed Shopping BB.

In 2Q23, Shopping BB had:

- – More than 120 e-commerces available to all Banco do Brasil account holders, meeting their main needs.
- – 28 gift card brands, with more than 290 SKUs, distributed among transportation services, delivery, streaming, sports stores, educational games and business solutions, among others;
- – Gamer Area offering games, accessories and various other gamer products, in addition to providing specific financial services to meet the needs of this audience; and
- – Cell phone recharges for the main operators in Brazil.

During 1H23, Shopping BB presented a GMV of more than R\$ 565 million, reaching approximately 3.8 million Clients.

## Open Finance

Banco do Brasil continues to stand out as one of the most relevant players in Open Finance in Brazil and abroad. In 2Q23, the implementation of Open Finance in Brazil evolved to its fourth phase, including the opening of investment, foreign exchange, personal insurance, pension, and capitalization data offered by participating institutions. At the regulatory level, the development and approval of the APIs that will allow the sharing of customer investment data began at the end of September.

With new use cases of the data shared with Banco do Brasil, the adhesion of new clients to Open Finance continued at a strong pace, including renewals of expired consents. By the end of the second half, BB had around two million unique clients sharing data and more than three million consents.

In the quarter, BB reached the mark of R\$ 1.7 billion in increase of individual credit limits, from the information shared via Open Finance with BB. The amount represents double the volume reached in March this year and refers to credit card limits and the CDC Automatic credit line (unsecured credit, for free use), whose analysis models consider data from other institutions in their calculations.

The Bank's prominent position is due to the implementation of unprecedented solutions, such as the use of Open Finance data for the simulation and contracting of credit portability by the client himself via App, launched in June. In addition to digital, this solution reinforces BB's "figital" strategy, by offering the customer the same product and contracting conditions in the channel they prefer. The solution brings convenience and a fluid experience, with less friction, by using the data directly from the other institution to perform the simulation and compare operations.



During the quarter period, efforts were intensified to prepare the organization for the use of data by implementing measures to expand analytical capacity and introducing new solutions for staff and clients. These measures are aimed at enhancing the customer experience, providing additional benefits through valuable insights and generating innovative business opportunities.

## BB Developers Portal

The Developers Portal is the main channel for integration with BB APIs. It offers an end-to-end digital journey, including a solution testing environment, API documentation, in addition to connecting the developer audience, keeping active a community that contributes to the construction and improvement of services.

Currently, nine APIs are available for hiring via the Portal, they are: Collection, Pix, Pix Arrecadação, Batch Payments, Automatic Debit Authorization, BB Login, Account Validation, BB Pay and Statements.

BB's portfolio of APIs, which also includes those available via the Developer Portal, ended 2Q23 with 23 business APIs integrated and with calls, which represents an increase of 4% over the previous quarter and 26% over the same period last year.

Table 7. Number of Partners and APIs

Number of Partners and APIs indicator	Jun/22	Sep/22	Dec/22	Mar/23	Jun/23
APIs with Calls in Production Calls	19	21	22	23	23
Regulatory APIs	2	4	13	15	15
Partners with Production <sup>1</sup>	4,277	4,963	6,651	14,709	16,650

1 - Number reprocessed by base refinement.

## Innovation and Experimentation

In 2Q23, BB concluded the first cycle of experimentation with emerging technologies at LENTES (Laboratory for Experimentation with New Technologies), lasting six months. Thirty-two use cases were selected for their innovative and exploratory use of blockchain. At the end of the cycle, half of the solutions were selected for scale and will mainly impact the areas of contracts and agribusiness.

The result attests to the quality of the prototyping model presented last quarter to accelerate the adoption of emerging technologies at BB. In addition to the quality of the pipeline, the knowledge generated also unfolded into new technological requirements for the advancement of other initiatives using blockchain in the Company, including the Real Digital Pilot launched in April/2023.

In addition, 5G has also been used in Lentes BB, in experiments aimed at developing new business models in segments such as agribusiness, smart cities, industry, education and security, among others. Through strategic partnerships in



the ecosystem in which BB is inserted, several use cases, especially with Artificial Intelligence, are being explored to optimize processes, monitoring and create solutions for Clients and employees of the bank.

After the first year of the assessment, the Innovation Maturity Index was renamed the Innovation Readiness Index. This brings it closer to its main objective, which is the effective induction of policies and actions to catalyze innovation in a distributed way, deconcentrating the practices of the centers of excellence. By identifying the nature and level of readiness of each Unit, it is possible to adopt more precise strategies. As an example, the Units with the highest score in the index will move towards the construction of their own innovation theses, in order to direct and systematize future efforts on this front.

# Technological and Digital Optimization and Transformation

## Cultural Transformation

BB continues to evolve in the culture of innovation.

In order to attract talent, the 2022/2023 external selection received more than 1.4 million applications for the vacancies of Clerk – Commercial Agent and 131.5 thousand applications for the vacancies of Clerk – Technology Agent. Highlight for the percentage of 31.5% of women registered. This is the 2nd largest external selection in BB's history and is also the largest technology selection ever held in the country.

The purpose is to inspire in people the desire to build a career in the Bank's technology areas, with the expectation of another three thousand employees working with the theme in the next two years.

In addition to attraction actions, BB continuously invests in incentives for employee training. There are certifications, graduations, lato sensu post-graduations, master's and doctoral degrees focused on technology and innovation, as well as language scholarships and other training. It is worth highlighting the relevant contribution of Corporate University – UNIBB – with numerous education options on online platforms and partnerships with the Massachusetts Institute of Technology – MIT, the Milla Institute and Gartner.



## Artificial Intelligence

BB enabled new businesses and innovations through Artificial Intelligence solutions.

The use of AI in products, services and processes has expanded to continuously improve performance in pillars such as customer relationships and experiences, as well as operational efficiency and application security. To make this possible, there are recurring developments in intelligent assistants in digital channels, by text and voice, (WhatsApp, Alexa, Messenger, Instagram and Twitter), computer vision solutions (analysis and classification of images and documents) and natural language processing (NLP).

As part of BB's AI Platform strategy, there were several investments in training and research in emerging technologies, such as Large Language Models (LLM) and holography, including partnerships with institutes in Brazil and abroad. The Artificial Intelligence Assessment Engine – MAIA – was also implemented to perform automated tests and indicate improvements to ensure greater agility, quality, safety, and efficiency in the process of developing AI solutions. It reduced the average validation time of AI models by 98%. It is actions like these that put us at the forefront of digital solutions and in a prominent position among financial institutions in the country.

BB's IT continuously works to consolidate AI in the DNA of the bank's business.

## Platforms

BB wants to continuously deliver practical, efficient, and reliable digital solutions to clients and employees, creating memorable experiences. To this end, investments are maintained in cutting-edge technological solutions and platforms, building a robust and constantly modernized IT architecture.

In order to reduce technical complexity in the development of solutions and accelerate the delivery of value to the customer, several platforms are available to teams. Among the main ones, we can mention: Mobile, Web, Low Code, Cloud, Data, Mainframe, UX, AI and Security.

## Cloud

With a robust IT architecture that meets the speed and needs of the business, BB continues to invest in an architecture composed of public and private clouds. These investments translate into greater flexibility and speed in delivering solutions to the client, expanding processing capacity without loss of performance, greater availability of resources and, consequently, better experience. Solutions such as Pix, Open Banking, Chatbots and Fraud Monitoring are running on this type of architecture. There are more than 5,000 applications/services running millions of operations per day.



## Low-Code

### Citizen Developer

In this 2Q23, the challenge of developing cloud solutions continued to be met, among other ways, through the faz.ai Platform, a Software as a Service – SaaS – platform that supports the construction of software in a Low-Code model, thus allowing less complex internal processes to be automated in a faster and smarter way, with management and corporate governance incorporated. The offer of capabilities for application development is available to the entire BB conglomerate.

## Data Governance and Analytics Culture and Maturity

Banco do Brasil has been investing in partnerships, tools and acculturation programs that raise the levels of data literacy, whose practical dimension, provides skills and instruments necessary to increase analytical and data governance maturity.

In yet another cycle of expanding the data-driven culture, as the cycle includes the themes of data science, analytics and data governance, practical education and instrumentation trainings were prioritized, which reached more than 20,000 employees from all areas of Banco do Brasil, including leadership positions. Compared to the same quarter last year, 40% more events and courses were offered.

Data Governance has evolved consistently, instituting a strategy of action and implementing actions that support the evolution of maturity in the subject. A separate office was created to act on this front, reinforcing the relevance and breadth of the subject.

### Analytical Solutions

The evolution of analytical maturity and application is demonstrated by the growing participation in the Bank's results and in the improvement of the experience of Clients and employees.

The new architecture of the WebAnalytics ecosystem has enabled the improvement of the user experience, by allowing the capture and analysis of the average of more than 37 billion monthly events from digital channels, bringing even more quality and analytical information about clients, reinforcing and assisting in hyper-personalization and ensuring a bank for each customer.

With the objective of evolving and expanding the scope of data asset management processes, which includes the evolution of more than 200% of attributes available in the corporate Data Lake and improving the quality of these attributes, BB modernized the data governance tools in alignment with the corporate strategy.

The application of dynamic rates and spreads in the commercialization of private securities, implemented through analytical models, anticipated the offer of securities with an adequate price for clients, expanding business not only by better adherence to the client, but also by anticipating and expanding the trading range and the diversity of securities traded.



The prediction of recovery of degraded pasture areas subsidized the Safra Plan 2023/2024. This measure reinforced the incentive for environmentally sustainable production systems and reduced interest rates for pasture recovery, by indicating clients with high potential for this approach.

Efforts continue in the development of credit risk models, in a vision that anticipates the regulatory and is innovative for allowing positive impacts on results, where they are already being experimented in Market Risk Models and Treasury Management.

Historical data from the various service channels, including Ombudsman records, allow for more proactive action, enable more assertive handling of demands, and avoid the migration of unresolved problems to the judicial sphere. The natural language solution that monitors calls from these channels allows a specific approach to cases with the potential for judicialization, with a view to reducing these demands by around 20%.

The identification of the customer's consumption profile facilitates the selection of the public for a more targeted product offer, which demonstrates Banco do Brasil's commitment to be close to its Clients. An example is the indication of Clients most likely to consume Gift Cards at Shopping BB in the App.

In line with the hyper personalization movements, a bank for each client, as well as Open Finance, a model was developed for the propensity to consume investment products more suitable for clients with a high-income profile, as well as the option of credit portability with greater adherence to the Client's profile, which contributed to the increase in credit disbursement in the quarter.

The performance in the Desenrola Program was guided and oriented with Analytical Intelligence for analysis and selection of the public, propensity of the client to operate with BB, prediction of branches to be impacted by increased flow, enrichment of the base by consolidating registration notes and monitoring panel of the main indicators and business signals.

There are still evolutions and expansion of the analytical project for the prediction of net cash demand in customer service at branches, with a personalized and dynamic modeling architecture for each point and enabling a reduction in cash transportation expenses.





1.

**Summary**

**Consolidated Financial  
Information**



# Consolidated Balance Sheet

Table 8. Balance Sheet – Assets, Liabilities and Shareholder’s Equity – R\$ million

	Jun/22	Mar/23	Jun/23	Chg. (%)	
				Jun/22	Mar/23
<b>Total Assets</b>	<b>2,091,608</b>	<b>2,114,744</b>	<b>2,103,152</b>	<b>0.6</b>	<b>(0.5)</b>
<b>Availabilities</b>	<b>31,052</b>	<b>24,990</b>	<b>22,541</b>	<b>(27.4)</b>	<b>(9.8)</b>
<b>Financial Assets</b>	<b>1,972,646</b>	<b>2,001,322</b>	<b>1,998,421</b>	<b>1.3</b>	<b>(0.1)</b>
Central Bank Compulsory Reserves	93,856	94,995	97,135	3.5	2.3
Interbank Investments	539,661	457,584	432,513	(19.9)	(5.5)
Securities	409,391	431,510	441,533	7.9	2.3
Derivative Financial Instruments	2,448	3,890	4,879	99.3	25.4
Loan Portfolio	813,468	915,170	921,558	13.3	0.7
Other Financial Assets	113,821	98,173	100,804	(11.4)	2.7
<b>(Allowance for Losses Associated with Credit Risk)</b>	<b>(47,308)</b>	<b>(51,986)</b>	<b>(54,135)</b>	<b>14.4</b>	<b>4.1</b>
(Loan Portfolio)	(44,101)	(48,655)	(50,675)	14.9	4.2
(Other Financial Assets)	(3,207)	(3,331)	(3,460)	7.9	3.9
<b>Tax Assets</b>	<b>67,553</b>	<b>66,441</b>	<b>68,236</b>	<b>1.0</b>	<b>2.7</b>
Current Tax Assets	10,618	10,847	11,287	6.3	4.1
Deferred Tax Assets (Tax Credit)	56,935	55,594	56,949	0.0	2.4
<b>Investments</b>	<b>18,373</b>	<b>19,489</b>	<b>20,011</b>	<b>8.9</b>	<b>2.7</b>
<b>Property for Use</b>	<b>8,357</b>	<b>8,684</b>	<b>9,507</b>	<b>13.8</b>	<b>9.5</b>
<b>Intangible</b>	<b>6,992</b>	<b>10,710</b>	<b>10,985</b>	<b>57.1</b>	<b>2.6</b>
<b>Other Assets</b>	<b>33,943</b>	<b>35,095</b>	<b>27,584</b>	<b>(18.7)</b>	<b>(21.4)</b>
<b>Total Liabilities and Shareholder's Equity</b>	<b>2,091,608</b>	<b>2,114,744</b>	<b>2,103,152</b>	<b>0.6</b>	<b>(0.5)</b>
<b>Financial Liabilities</b>	<b>1,825,185</b>	<b>1,859,417</b>	<b>1,848,214</b>	<b>1.3</b>	<b>(0.6)</b>
Customer Resources	718,460	750,724	768,531	7.0	2.4
Financial Institutions Resources	758,128	727,488	662,305	(12.6)	(9.0)
Funds from Issuance of Securities	215,584	241,088	262,013	21.5	8.7
Derivative Financial Instruments	2,926	5,038	5,110	74.7	1.4
Other Financial Liabilities	130,087	135,078	150,256	15.5	11.2
<b>Provisions</b>	<b>38,588</b>	<b>26,472</b>	<b>26,421</b>	<b>(31.5)</b>	<b>(0.2)</b>
Provisions for Civil, Tax and Labor Claims	31,329	19,057	18,968	(39.5)	(0.5)
Other Provisions	7,259	7,415	7,452	2.7	0.5
<b>Tax Liabilities</b>	<b>25,281</b>	<b>18,175</b>	<b>16,122</b>	<b>(36.2)</b>	<b>(11.3)</b>
Current Tax Liabilities	11,838	3,231	4,635	(60.8)	43.5
Deferred Tax Liabilities	13,443	14,944	11,487	(14.6)	(23.1)
<b>Other Liabilities</b>	<b>46,560</b>	<b>41,148</b>	<b>44,715</b>	<b>(4.0)</b>	<b>8.7</b>
<b>Shareholder's Equity</b>	<b>155,993</b>	<b>169,533</b>	<b>167,680</b>	<b>7.5</b>	<b>(1.1)</b>
<b>Capital</b>	<b>90,000</b>	<b>90,000</b>	<b>120,000</b>	<b>33.3</b>	<b>33.3</b>
Instruments Qualifying as CET1	8,100	7,100	7,100	(12.3)	-
Capital Reserves	1,404	1,408	1,408	0.3	-
Profit Reserves	59,903	66,949	50,542	(15.6)	(24.5)
<b>Other Comprehensive Income</b>	<b>(6,460)</b>	<b>(8,271)</b>	<b>(14,853)</b>	<b>129.9</b>	<b>79.6</b>
Retained Earnings	-	8,404	-	-	-
(Treasury Shares)	(273)	(268)	(268)	(1.6)	-
Non-controlling Interest	3,318	4,212	3,752	13.1	(10.9)



# Consolidated Statement of Income

Table 9. Statement of Income with Reallocations – R\$ million

	2Q22	1Q23	2Q23	Chg. (%)		1H22	1H23	Chg. (%)
				2Q22	1Q23			
<b>Net Interest Income</b> <sup>2 3 4 6 7 8 14 15</sup>	17,056	21,161	22,887	34.2	8.2	32,388	44,048	36.0
<b>ALLL Expanded View</b>	(2,937)	(5,855)	(7,176)	144.3	22.6	(5,695)	(13,031)	128.8
ALLL - Recovery of Write-offs <sup>4</sup>	2,136	1,889	2,150	0.6	13.8	4,247	4,039	(4.9)
ALLL - Credit Risk	(4,581)	(4,148)	(8,495)	85.5	104.8	(9,067)	(12,644)	39.4
ALLL - Discount Granted <sup>5 6</sup>	(347)	(359)	(491)	41.6	36.9	(605)	(849)	40.3
ALLL - Impairment <sup>7 8</sup>	(146)	(3,237)	(340)	132.5	(89.5)	(269)	(3,577)	-
<b>Net Financial Margin</b>	14,119	15,306	15,711	11.3	2.6	26,692	31,017	16.2
<b>Other Operating Income/Expenses</b>	(702)	(1,024)	(1,669)	137.6	63.0	(2,036)	(2,693)	32.2
Fee Income	7,847	8,132	8,286	5.6	1.9	15,372	16,418	6.8
Administrative Expenses <sup>11 12</sup>	(8,305)	(8,698)	(9,035)	8.8	3.9	(16,505)	(17,733)	7.4
Personnel Expenses	(5,345)	(5,618)	(5,791)	8.4	3.1	(10,534)	(11,409)	8.3
Other Administrative Expenses <sup>11 12</sup>	(2,960)	(3,080)	(3,243)	9.6	5.3	(5,972)	(6,324)	5.9
Net Gains from Equity Method Investments <sup>18</sup>	1,438	1,657	1,831	27.3	10.5	2,520	3,487	38.4
PREVI - Plano de Benefícios I <sup>9</sup>	553	884	884	59.9	-	1,106	1,768	59.9
PREVI - Fundo Utilização Restatement <sup>10</sup>	367	345	225	(38.7)	(34.7)	863	571	(33.9)
Tax Expenses <sup>3</sup>	(1,649)	(1,868)	(2,073)	25.7	10.9	(3,213)	(3,941)	22.7
Other Income/Expenses <sup>1 5 9 10 11 12 14 15 19</sup>	(953)	(1,475)	(1,787)	87.5	21.1	(2,179)	(3,263)	49.8
<b>Provisions</b>	(1,538)	(1,372)	(1,002)	(34.8)	(26.9)	(3,208)	(2,375)	(26.0)
Civil, Tax and Labor Claims <sup>13 19</sup>	(1,527)	(1,463)	(971)	(36.5)	(33.6)	(3,101)	(2,433)	(21.5)
Other Provisions	(11)	91	(32)	191.6	-	(107)	59	-
<b>Operating Income</b>	11,878	12,910	13,039	9.8	1.0	21,448	25,950	21.0
Net Non-Operating Income <sup>16 17</sup>	78	107	51	(34.7)	(52.1)	76	158	108.6
<b>Profit Before Taxation and Profit Sharing</b>	11,956	13,017	13,091	9.5	0.6	21,524	26,108	21.3
Income Tax and Social Contribution <sup>20</sup>	(2,491)	(2,564)	(2,335)	(6.3)	(9.0)	(4,052)	(4,899)	20.9
Employee and Directors Profit Sharing <sup>21</sup>	(995)	(1,089)	(1,120)	12.5	2.8	(1,843)	(2,208)	19.8
Non-Controlling Interests	(602)	(814)	(851)	41.3	4.5	(1,129)	(1,666)	47.5
<b>Adjusted Net Income</b>	7,867	8,550	8,785	11.7	2.8	14,500	17,335	19.5
<b>One-Off Items</b>	(178)	(343)	(431)	142.0	25.6	(131)	(774)	492.0
Economic Plans <sup>13</sup>	(496)	(662)	(832)	67.7	25.6	(1,050)	(1,494)	42.3
Sale of Investment – Banco Digio S.A. <sup>16</sup>	-	-	-	-	-	338	-	-
Corporate Reorganization – CIP <sup>17</sup>	-	-	-	-	-	240	-	-
Sale of Investment – MerchantE <sup>18</sup>	84	-	-	-	-	84	-	-
Tax Eff. and Profit Sharing on One-Off Items <sup>20 21</sup>	234	319	401	71.2	25.6	258	720	179.4
<b>Net Income</b>	7,689	8,207	8,354	8.7	1.8	14,370	16,561	15.2

Each Index presented above corresponds to the event item in the "Reallocations and One-Off Items Breakdown" table.



## Reallocations Breakdown

The **next table** of this chapter shows the adjustments made to the Income Statement in the BB Consolidated view, presented in the Financial Statements for the period, to obtain the Income Statement with Reallocations. Such adjustments aim to:

- a) Segregate the one-off items and show the adjusted net income for the period;
- b) Change the arrangement of income and expenses items to provide a better understanding of the business and the company's performance;
- c) Allow Net Interest Income (NII) recorded during the period to effectively reflect the gain from all earning assets, informing the market on the spread achieved from the ratio of this margin by the average balance of earning assets.

For this, it was necessary to:

- I. include in NII the income recorded in other operating Income with financial intermediation characteristics that was derived from the earning assets accounted for in other financial assets in the balance sheet;
- II. identify in a specific NII item the foreign exchange gains (losses) on assets and liabilities abroad during the period;
- III. maintain the amounts related to negative foreign exchange adjustments and expenses reversal that were accounted for in other operating income and/or other operating expenses to avoid inverting the balance of accounts that have a financial intermediation nature;
- IV. include in NII all expenses related to subordinated debt and perpetual securities.

d) Highlight the credit cost related effects in Allowance for Loan and Lease Losses (ALLL) Extended View. For this, it was necessary to integrate in specific ALLL Expanded View's items:

- I. expenses accounted for in allowance for loan and lease losses;
- II. revenues related to the recovery of loans previously written-off as loss, originally accounted for in loans income;
- III. losses related to the impairment of financial assets, gain (losses) on sale or transfer of financial assets and, gain (losses) on disposal of leased assets, respectively accounted for, securities income, sale or transfer of financial assets income and leases income; and
- IV. the expenses related to discounts granted on renegotiations, originally accounted for in Other Operating Expenses.



Table 10. Reallocations and One-Off Items Breakdown – R\$ million

#	From	To	Event	Quarterly Flow			Half-Yearly Flow	
				2Q22	1Q23	2Q23	1H22	1H23
01	Other Financial Assets	Other Income/Expenses	ALLL w/o characteristic of financial intermediation	(30)	10	(150)	(59)	(141)
02	* Financial institutions resources	* FX Gain (Loss) on Foreign Equity	FX Gain (Loss) on Foreign Equity	1,078	(338)	(788)	(1,408)	(1,126)
03	Tax Expenses	* Tax Hedge	Tax Hedge	53	(16)	(38)	(69)	(55)
04	* Loan portfolio	ALLL – Recovery of Write-offs	ALLL Expanded View	2,136	1,889	2,150	4,247	4,039
05	Other Income/Expenses	ALLL – Discount Granted	ALLL Expanded View	(347)	(273)	(388)	(591)	(660)
06	* Loan portfolio	ALLL – Discount Granted	ALLL Expanded View	1	(86)	(103)	(15)	(189)
07	* Loan portfolio	ALLL – Impairment	ALLL Expanded View	(0)	(0)	–	(0)	(0)
08	* Securities	ALLL – Impairment	ALLL Expanded View	(146)	(3,237)	(340)	(269)	(3,577)
09	Other Income/Expenses	PREVI – Plano de Benefícios I	Actuarial Assets and Liabilities Valuation Adjust.	553	884	884	1,106	1,768
10	Other Income/Expenses	PREVI – Fundo Utilização Restatement	Actuarial Assets and Liabilities Valuation Adjust.	367	345	225	863	571
11	Other Administrative Expenses	Other Income/Expenses	Goodwill Amortization	(4)	(2)	(2)	(8)	(4)
12	Other Administrative Expenses	Other Income/Expenses	Premiums Paid to Costumers	(181)	(463)	(467)	(361)	(931)
13	Civil, Tax and Labor Claims	Economic Plans	Economic Plans	(496)	(662)	(832)	(1,050)	(1,494)
14	Other Income/Expenses	* Securities	Financial Investment Income	3	8	7	6	15
15	* Securities	Other Income/Expenses	Operating Provisions Reversal	26	1	16	27	17
16	Net Non-Operating Income	Sale of Investment – Banco Digio S.A.	Sale of Investment – Banco Digio S.A.	–	–	–	338	–
17	Net Non-Operating Income	Corporate Reorganization – CIP	Corporate Reorganization – CIP	–	–	–	240	–
18	Net Gains from Equity Method Investments	Sale of Investment – MerchantE	Sale of Investment – MerchantE	84	–	–	84	–
19	Other Income/Expenses	Civil, Tax and Labor Claims	Other Expenses on Civil Claims	(159)	(98)	(103)	(159)	(201)
20	Income Tax and Social Contribution	Tax Eff. and Profit Sharing on One-Off Items	Tax Effect and Profit Sharing on One-Off Items	214	281	352	243	633
21	Employee and Directors Profit Sharing	Tax Eff. and Profit Sharing on One-Off Items	Tax Effect and Profit Sharing on One-Off Items	20	39	48	15	87

(\*) Net Interest Income's (NII) subaccounts. More information on Chapter 2.



## Glossary of Reallocations

**(01)** Allowance for loan losses expenses for credits without financial intermediation characteristics.

**(02)** Revenues (expenses) of exchange rate changes on investments in subsidiaries and branches abroad.

**(03)** Tax effects on investments abroad hedge.

**(04), (05), (06), (07)** and **(08)** Revenues (expenses) related to the cost of credit. accounted for in recovery of write-offs, discounts granted on renegotiations, impairment of financial assets, sale or transfer of financial assets and disposal of leased assets.

**(09)** Revenues (expenses) from Previ's actuarial assets and liabilities review.

**(10)** Financial income from restatement of Previ's Fundo Utilização.

**(11)** Expenses from amortization of goodwill on investments.

**(12)** Payroll acquisition amortization.

**(13)** Expenses with provision arising from lawsuits related to economic plans.

**(14)** Revenues from non-financial companies' financial investments.

**(15)** Operating Provisions Reversal.

**(16)** Sale of indirect equity held by BB Elo Cartões Participações S.A.

**(17)** Partial division and incorporation of the split portion of Câmara Interbancária de Pagamento (CIP).

**(18)** Sale of indirect equity held by Cielo USA Inc.

**(19)** Other expenses arising from civil claims.

**(20)** and **(21)** One-off items effects on the calculation of employee and directors profit sharing and unification of these effects on income and social contribution taxes. Demonstration per line of the effects of extraordinary items is available in table as follow.

## Tax Effect and Profit Sharing on One-Off Items

The table below shows the effects of tax expenses (IR and CSLL) and employee profit sharing (PLR) on each one-off item.

**Table 11.** Tax effects and profit sharing on One-Off Items – R\$ million

	Quarterly Flow			Half-Yearly Flow	
	2Q22	1Q23	2Q23	1H22	1H23
Economic Plans	239	319	401	506	720
Sale of Investment – Banco Digio S.A.	-	-	-	(128)	-
Corporate Reorganization – CIP	-	-	-	(116)	-
Sale of Investment – MerchantE	(5)	-	-	(5)	-
<b>Tax Eff. and Profit Sharing on One-Off Items</b>	<b>234</b>	<b>319</b>	<b>401</b>	<b>258</b>	<b>720</b>



## 2. Net Interest Income

In 2Q23, the Net Interest Income (NII) was R\$22,9 billion, up 8.2% QoQ (2Q23/1Q23) and 36.0% HoH (1H23/1H22).

In the quarter, Financial Income increased by 6.7% (4.1% Loan Operation and 15,3% Treasury) benefiting from the growth of the loan portfolio and securities issued respectively. Furthermore, there was a growth of 5.3% in Financial Expenses (6.2% in Commercial Funding and 0.2% in Institutional Funding).

In the half-year comparison, contributed to the increase in NII the increase in Financial Income 38.2% from (31.6% in Loan Operations and Treasury Result 63.1%), driven by the growth in volumes and rates of the loan portfolio. and securities issued, partially offset by the increase (40.5%) in Financial Expenses.



Table 12. Key Indicators

	2Q22	1Q23	2Q23	Chg. (%)		1H22	1H23	Chg. (%)
				2Q22	1Q23			1H22
CDI / TMS – %	2.91	3.25	3.15	8.0	(3.2)	5.42	6.50	20.0
TJLP – %	1.73	1.85	1.83	5.8	(1.2)	3.28	3.72	13.2
Business days	62	63	61	(1.6)	(3.2)	124	124	–
Number of days in quarter	91	90	91	–	1.1	181	181	–
Exchange Rate – US\$ <sup>1</sup>	5.24	5.08	4.82	(8.0)	(5.1)			

(1) Close Exchange rate (PTAX Selling Rate) of the last business day of the reference period.

Table 13. Net Interest Income Breakdown – R\$ million

	2Q22	1Q23	2Q23	Chg. (%)		1H22	1H23	Chg. (%)
				2Q22	1Q23			1H22
<b>Net Interest Income</b>	<b>17,056</b>	<b>21,161</b>	<b>22,887</b>	<b>34.2</b>	<b>8.2</b>	<b>32,388</b>	<b>44,048</b>	<b>36.0</b>
<b>Financial Income</b>	<b>33,649</b>	<b>42,390</b>	<b>45,245</b>	<b>34.5</b>	<b>6.7</b>	<b>63,412</b>	<b>87,635</b>	<b>38.2</b>
Loan Operations	26,196	32,304	33,614	28.3	4.1	50,099	65,918	31.6
Treasury <sup>1</sup>	7,453	10,086	11,631	56.1	15.3	13,313	21,716	63.1
<b>Financial Expenses</b>	<b>(16,593)</b>	<b>(21,229)</b>	<b>(22,358)</b>	<b>34.7</b>	<b>5.3</b>	<b>(31,024)</b>	<b>(43,586)</b>	<b>40.5</b>
Commercial Funding	(13,827)	(18,073)	(19,195)	38.8	6.2	(25,700)	(37,268)	45.0
Institutional Funding <sup>2</sup>	(2,766)	(3,156)	(3,163)	14.4	0.2	(5,324)	(6,319)	18.7

(1) It includes the result from interest, tax hedging, derivatives, and other financial instruments that offset the effects of the exchange rate variation on result; (2) It includes senior bonds, subordinated debt, and Hybrid Instruments (except instruments qualifying as CET1).





## Financial Income from Loans Operations

Table 14. Loans Operations Income – R\$ million

	2Q22	1Q23	2Q23	Chg. (%)		1H22	1H23	Chg. (%)
				2Q22	1Q23			1H22
<b>Loan Operations Income</b>	<b>26,196</b>	<b>32,304</b>	<b>33,614</b>	<b>28.3</b>	<b>4.1</b>	<b>50,099</b>	<b>65,918</b>	<b>31.6</b>
Individuals	11,563	13,030	13,443	16.3	3.2	22,567	26,473	17.3
Companies	7,702	9,584	9,722	26.2	1.4	14,231	19,306	35.7
Agribusiness	5,552	7,696	8,058	45.1	4.7	10,609	15,753	48.5
Abroad	743	1,219	1,391	87.1	14.1	1,528	2,610	70.8
Sale or Transference of Financial Assets	92	196	350	282.7	78.4	205	547	167.3
Leasing	13	21	27	106.8	30.5	25	48	91.8
Other	532	559	623	17.2	11.5	935	1,182	26.4

Loan operations income was R\$33.6 billion in 2Q23, up in all comparison bases (+4.1% QoQ and +31.6% HoH), influenced by the increase in the average balances of the classified loan portfolio, and by the effect of CDI increase in post-fixed operations.

**Loan Operations - Individuals:** up 3.2% QoQ and up 17.3% HoH, influenced by the growth of the individuals classified loan portfolio.

**Loan Operations – Companies:** up 1.4% QoQ and 35.7% HoH, result achieved effect of raising the CDI on post-fixed operations, in addition to the growth of companies classified portfolio, with emphasis, on income from working capital lines.

**Loan Operations – Agribusiness:** up 4.7% QoQ and 48.5% HoH.

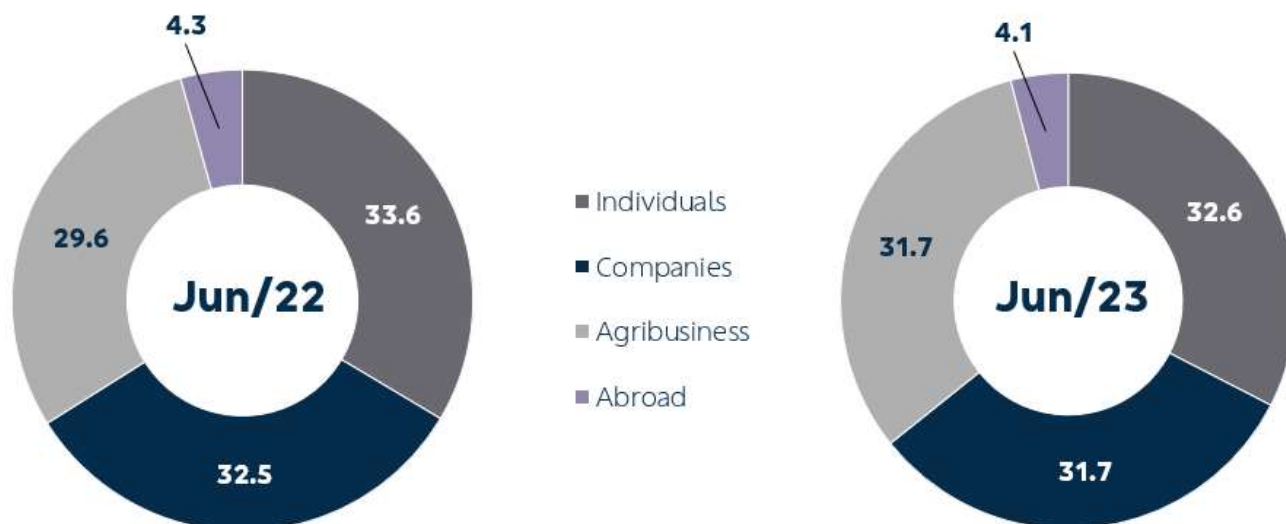


The breakdown of loan revenues and classified loan portfolio by segment is shown below:

Figure 14. Loan Income Breakdown – %



Figure 15. Classified Loan Portfolio Breakdown – %





## Financial Expenses from Commercial Funding

**Table 15.** Commercial Funding Result – R\$ million

	2Q22	1Q23	2Q23	Chg. (%)		1H22	1H23	Chg. (%)
				2Q22	1Q23			
<b>Commercial Funding Result</b>	<b>(13,827)</b>	<b>(18,073)</b>	<b>(19,195)</b>	<b>38.8</b>	<b>6.2</b>	<b>(25,700)</b>	<b>(37,268)</b>	<b>45.0</b>
Deposits Funding Expenses	(12,328)	(15,646)	(16,264)	31.9	3.9	(22,953)	(31,910)	39.0
Savings Deposits	(3,872)	(4,009)	(3,879)	0.2	(3.2)	(7,499)	(7,888)	5.2
Time Deposits	(8,456)	(11,637)	(12,385)	46.5	6.4	(15,454)	(24,022)	55.4
Letters of Credit Issuance Expenses	(3,079)	(4,144)	(4,690)	52.3	13.2	(5,326)	(8,834)	65.9
Agribusiness Letters of Credit (LCA)	(2,763)	(3,820)	(4,353)	57.6	14.0	(4,748)	(8,174)	72.1
Real Estate Letters of Credit (LCI)	(316)	(324)	(337)	6.5	4.1	(578)	(660)	14.3
Credit Guarantee Fund (FGC)	(169)	(182)	(190)	12.8	4.4	(325)	(372)	14.5
Compulsory Deposits	1,749	1,899	1,949	11.5	2.6	2,904	3,849	32.6

Financial expenses from commercial funding were R\$19.2 billion in 2Q23, up 6.2% QoQ, mainly influenced by the growth in the time deposit (+6.4%) and LCA (+14.0%).

In the half-year comparison, the increase in commercial funding expenses was 45.0% influenced by the Selic elevation movement and by the growth in the average balances of the portfolios, with emphasis on the growth of expenses with time deposits (+55.4%) and LCA (+72.1%)

**Table 16.** Funding vs. Selic Rate – R\$ million

	2Q22			1Q23			2Q23		
	Average Balance	Cost	% Selic	Average Balance	Cost	% Selic	Average Balance	Cost	% Selic
<b>Total Funding</b>	<b>844,414</b>	<b>(15,594)</b>	<b>63.4</b>	<b>910,289</b>	<b>(20,102)</b>	<b>67.9</b>	<b>955,173</b>	<b>(21,321)</b>	<b>71.0</b>
Savings Deposits	217,132	(3,872)	61.2	207,713	(4,009)	59.4	205,820	(3,879)	59.9
Time Deposits <sup>1</sup>	372,989	(8,456)	77.9	434,426	(11,637)	82.4	453,164	(12,385)	86.9
Demand Deposits	111,856	–	–	100,798	–	–	104,001	–	–
Agribusiness Letters of Credit	104,491	(2,763)	90.8	131,359	(3,820)	89.5	153,994	(4,353)	89.9
Interbank Deposits <sup>2</sup>	25,271	(187)	25.5	23,928	(312)	40.1	24,995	(368)	46.7
Mortgage Bonds	12,674	(316)	85.7	12,065	(324)	82.5	13,198	(337)	81.1

(1) Included Time Deposits; (2) Expenses with interbank deposits are shown in Open Market Funding Expenses (within Treasury Income).



## Financial Expenses from Institutional Funding

The following table shows the breakdown of institutional funding expenses, composed by corporate bonds issued by the Banco do Brasil in the capital market, in Brazil and abroad, whose subscribers are qualified investors. It is worth mentioning that the Equity and Debt Hybrid Securities issued in Brazil, because of a Loan Agreement with the federal government and eligible as CET1, composes Shareholders' Equity as Instruments Qualifying as Common Equity Tier 1 Capital and its payments are made with resources from retained earnings and profit reserve, that is, they are not reflected in the institutional funding expenses.

**Table 17.** Institutional Funding Expenses – R\$ million

	2Q22	1Q23	2Q23	Chg. (%)		1H22	1H23	Chg. (%)
				2Q22	1Q23			1H22
<b>Institutional Funding Expenses</b>	<b>(2,766)</b>	<b>(3,156)</b>	<b>(3,163)</b>	<b>14.4</b>	<b>0.2</b>	<b>(5,324)</b>	<b>(6,319)</b>	<b>18.7</b>
Borrowing, Assignments and Onlending	(1,616)	(1,792)	(1,816)	12.4	1.4	(2,989)	(3,608)	20.7
Hybrid Capital Instruments	(539)	(555)	(405)	(24.8)	(27.1)	(1,121)	(960)	(14.3)
Securities Issued Abroad	(388)	(516)	(563)	45.2	9.0	(781)	(1,079)	38.2
Financial Letters	(169)	(281)	(379)	124.4	34.8	(285)	(660)	131.5
Subordinated Debt Abroad	(54)	(12)	0	–	–	(147)	(12)	(92.1)

Institutional funding expenses were R\$3.2 billion in 2Q23, stable QoQ and up 18.7% HoH. In both comparisons, expenses were impacted by issues Borrowing, Assignments and Onlending, Securities Issued and of Financial Letter.

On April 15, 2023, BB repurchased the subordinated instrument (call option) issued abroad that was authorized by the Central Bank to compose the Tier I capital, in the amount of US\$1.285 billion and coupon of 9.25% p.a. On April 19, 2023, BB also settled a senior instrument abroad in the amount of US\$750 million, coupon of 4.875% p.a.

## Treasury Result

Treasury result is composed by (i) **securities income**, which includes interest income and gain/loss from negotiation of trading and banking book portfolios, such as government bonds, debentures, agribusiness loan rights certificates (CDCA) and rural product bills and guarantees (CPR), in addition to the mark-to-market of trading book, by (ii) **interbank accounts**,

where the open market investments are, by (iii) **open market funding**, by (iv) **financial derivatives** result and by (v) **other treasury components**, shows the results of the exchange rate variation from securities, loans, commercial and institutional funding among others, the result of exchange operations, tax hedge and the gain/loss over equity abroad.



**Table 18.** Treasury Result – R\$ million

	2Q22	1Q23	2Q23	Chg. (%)		1H22	1H23	Chg. (%)
				2Q22	1Q23			
<b>Treasury Result</b>	<b>7,453</b>	<b>10,086</b>	<b>11,631</b>	<b>56.1</b>	<b>15.3</b>	<b>13,313</b>	<b>21,716</b>	<b>63.1</b>
Securities	10,732	15,286	16,386	52.7	7.2	20,213	31,672	56.7
Interbank Accounts	16,545	15,040	14,982	(9.4)	(0.4)	29,542	30,022	1.6
Open Market Funding	(20,334)	(20,898)	(19,866)	(2.3)	(4.9)	(37,132)	(40,764)	9.8
Financial Derivatives	51	68	(647)	–	–	71	(579)	–
Other Treasury Components <sup>1</sup>	459	590	776	69.1	31.5	619	1,366	120.8

(1) It includes items not listed in the treasury result breakdown, including exchange rate variation.

Treasury income increase 15.3% in the quarter (2Q23/1Q23) and 63.1% in the half-year comparison (1H23/1H22). and the main components of this behavior will be explained below.

## Securities Income

Securities income were R\$16.4 billion, up 7.2% QoQ and +56.7% HoH.

In all comparison periods, the securities income was influenced by the growth in interest income (+1.8% in the quarter and +49.3% in the half-year), which reflect the behavior of the Selic and the average balance of the securities portfolio, which is mostly post-fixed. The portfolio is composed mainly of federal government bonds and private bonds and securities, notably for Companies (debentures) and Agribusiness, rural product bills and guarantees (CPR) and agribusiness loan rights certificates (CDCA).

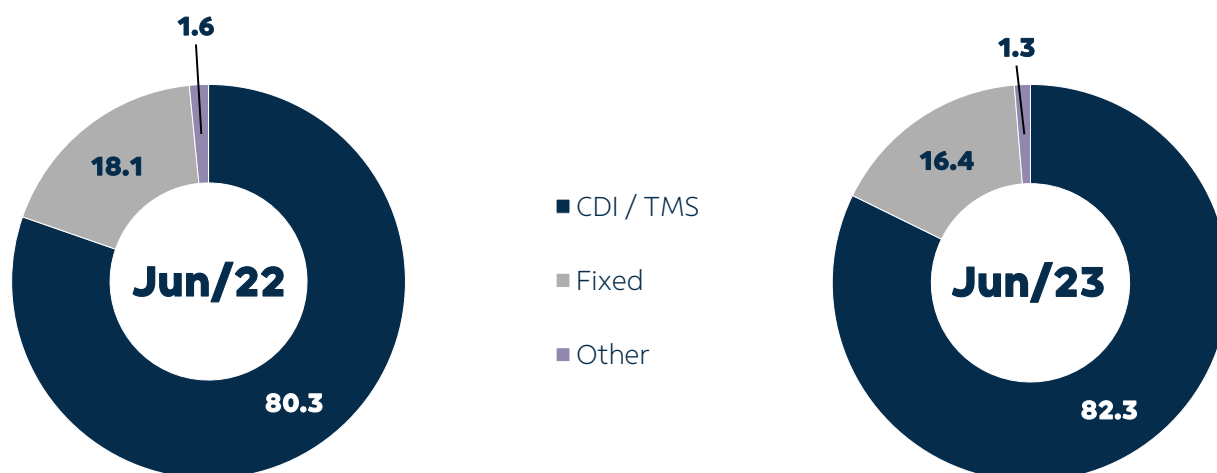
**Table 19.** Securities Income – R\$ million

	2Q22	1Q23	2Q23	Chg. (%)		1H22	1H23	Chg. (%)
				2Q22	1Q23			
<b>Securities Income</b>	<b>10,732</b>	<b>15,286</b>	<b>16,386</b>	<b>52.7</b>	<b>7.2</b>	<b>20,213</b>	<b>31,672</b>	<b>56.7</b>
<b>Fixed Income Securities</b>	<b>10,760</b>	<b>15,296</b>	<b>16,415</b>	<b>52.6</b>	<b>7.3</b>	<b>20,224</b>	<b>31,711</b>	<b>56.8</b>
Interest Income	11,424	15,318	15,596	36.5	1.8	20,707	30,914	49.3
Profit/Loss from Negotiation	(321)	(39)	441	–	–	28	402	1,351.9
Income/Expense from Mark to Market	(344)	17	378	–	–	(510)	395	–
Other Securities <sup>1</sup>	(28)	(10)	(29)	3.5	184.5	(11)	(39)	250.8

(1) Includes the result of variable income securities, investments in funds and in gold and other income abroad.



Figure 16. Securities Portfolio by Index (BB Multiple Bank) – %



The following tables shows the securities portfolio breakdown.

Table 20. Securities Portfolio by Category – Market Value – R\$ million

	Jun/22		Mar/23		Jun/23		Chg. (%)	
	Market Value	Share %	Market Value	Share %	Market Value	Share %	Jun/22	Mar/23
<b>Securities</b>	<b>407,765</b>	<b>100.0</b>	<b>430,955</b>	<b>100.0</b>	<b>441,351</b>	<b>100.0</b>	<b>8.2</b>	<b>2.4</b>
Trading	8,872	2.2	10,849	2.5	11,625	2.6	31.0	7.1
Available for Sale	353,508	86.7	371,766	86.3	376,795	85.4	6.6	1.4
Held to Maturity	45,385	11.1	48,340	11.2	52,932	12.0	16.6	9.5
<b>Financial Derivatives</b>	<b>2,448</b>	<b>100.0</b>	<b>3,890</b>	<b>100.0</b>	<b>4,879</b>	<b>100.0</b>	<b>99.3</b>	<b>25.4</b>



Table 21. Securities Portfolio by Maturity – Market Value – R\$ million

Reference	Up to 1 year <sup>1</sup>		1 to 5 years		5 to 10 years		Over 10 years		Total
	Balance	Share %	Balance	Share %	Balance	Share %	Balance	Share %	Balance
Sep/21	75,576	24.5	182,503	59.1	40,744	13.2	9,892	3.2	308,715
Dec/21	69,812	20.2	191,886	55.4	74,215	21.4	10,435	3.0	346,349
Mar/22	84,206	23.4	182,907	50.9	82,552	23.0	10,032	2.8	359,697
Jun/22	89,203	21.9	183,573	45.0	126,409	31.0	8,580	2.1	407,765
Sep/22	75,091	17.7	203,036	47.9	136,123	32.1	9,861	2.3	424,112
Dec/22	64,534	15.1	197,393	46.1	154,960	36.2	10,987	2.6	427,873
Mar/23	65,396	15.2	219,613	51.0	134,644	31.2	11,302	2.6	430,955
Jun/23	66,069	15.0	211,403	47.9	151,106	34.2	12,774	2.9	441,351

(1) As of 2Q21, the “up to 1 year” column also includes the balance of bonds without maturities (with immediate liquidity).

## Open Market Funding

The following table sets forth the Liquidity Balance, calculated as Liquidity Assets less Liquidity Liabilities.

Table 22. Liquidity Balance – R\$ million

	Jun/22		Mar/23		Jun/23		Chg. (%)	
	Balance	Share %	Balance	Share %	Balance	Share %	Jun/22	Mar/23
<b>Liquidity Assets (a)</b>	<b>980,105</b>	<b>100.0</b>	<b>914,083</b>	<b>100.0</b>	<b>896,586</b>	<b>100.0</b>	<b>(8.5)</b>	<b>(1.9)</b>
Interbank Investments	539,661	55.1	457,584	50.1	432,513	48.2	(19.9)	(5.5)
Securities	409,391	41.8	431,510	47.2	441,533	49.2	7.9	2.3
Available Funds	31,052	3.2	24,990	2.7	22,541	2.5	(27.4)	(9.8)
<b>Liquidity Liabilities (b)</b>	<b>693,558</b>	<b>100.0</b>	<b>665,541</b>	<b>100.0</b>	<b>599,663</b>	<b>100.0</b>	<b>(13.5)</b>	<b>(9.9)</b>
Open Market Funding	667,008	96.2	641,406	96.4	574,832	95.9	(13.8)	(10.4)
Interbank Deposits	26,550	3.8	24,135	3.6	24,832	4.1	(6.5)	2.9
<b>Liquidity Balance (a-b)</b>	<b>286,547</b>	<b>100.0</b>	<b>248,543</b>	<b>100.0</b>	<b>296,923</b>	<b>100.0</b>	<b>3.6</b>	<b>19.5</b>



**Table 23.** Open Market Funding Expenses – R\$ million

	2Q22	1Q23	2Q23	Chg. (%)		1H22	1H23	Chg. (%)
				2Q22	1Q23			1H22
<b>Open Market Funding Expenses</b>	<b>(20,334)</b>	<b>(20,898)</b>	<b>(19,866)</b>	<b>(2.3)</b>	<b>(4.9)</b>	<b>(37,132)</b>	<b>(40,764)</b>	<b>9.8</b>
Third Party Portfolio	(15,983)	(13,454)	(13,677)	(14.4)	1.7	(28,400)	(27,131)	(4.5)
Own Portfolio	(4,156)	(7,127)	(5,813)	39.9	(18.4)	(8,386)	(12,940)	54.3
Interbank Deposits	(187)	(312)	(368)	96.2	17.8	(333)	(679)	104.1
Other Open Market Operations	(8)	(5)	(8)	5.9	60.2	(14)	(14)	(3.1)

Open market funding expenses are mainly expenses incurred with repo operations backed by the Banco do Brasil own portfolio and third parties' securities. As with interbank liquidity investments (which covers income from investments in the open market and interbank deposits), the dynamics of open market operations changes according to the volume applied/raised and the variation of the TMS,

considering those are operations backed by government bonds in greater part.

It is worth mentioning that the funding in Own Portfolio is backed by Fixed Income Securities that contributes to the formation of the securities result, also in treasury.





# Managerial Financial Margin

Aiming to provide greater transparency and comparability to the investor market, as of the 2nd quarter of 2023, Banco do Brasil will present its Net Interest Income in the with Clients and with the Market.

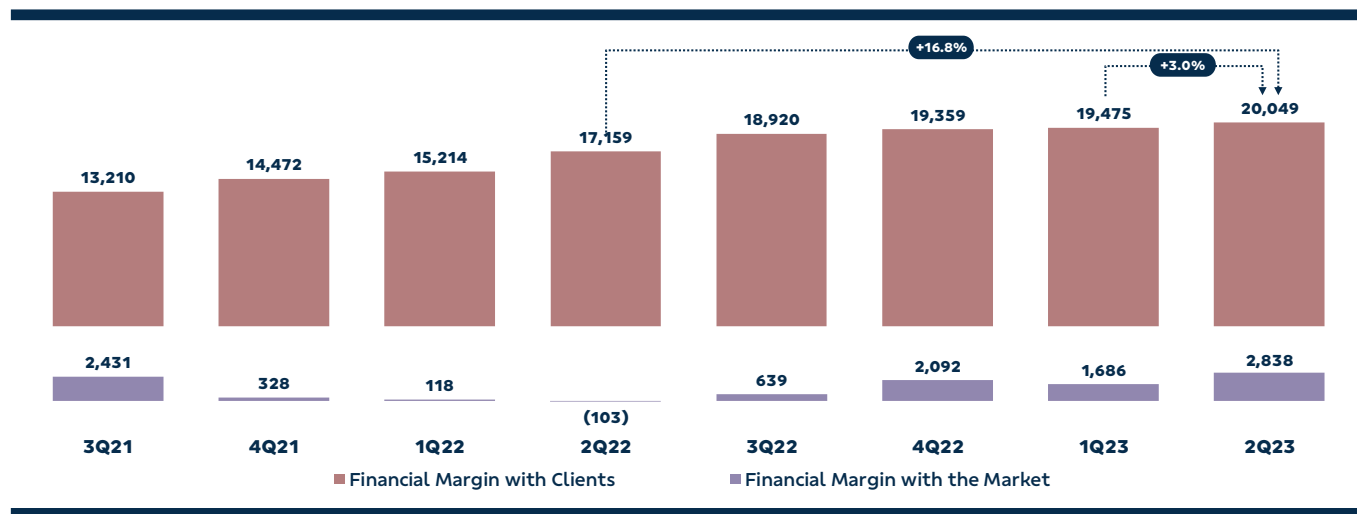
The **Margin with Clients** it is formed by the performance of (I) active (credit, private securities and similar) and (II) passive (commercial funding and similar) operations sensitive to spreads. The calculation of the managerial margin considers, in the asset/investment part, the interest income deducted from the opportunity expense and, in the liabilities/funding part, the difference between the interest expense and the opportunity income.

The **opportunity expenses** determined, In the case of fixed rate transactions, considers the funding cost at the time of the contracting, and it is not affected by the variation in the Selic rate and/or Term Structure of Interest Rates (Estrutura a Termo das Taxas de Juros – ETTJ). The loan’s opportunity cost allocated to Individuals and companies with free resources can be backed by TMS (Average Selic Rate) and/or Term Structure of Interest Rates (Estrutura a Termo das Taxas de Juros – ETTJ). The opportunity cost for the agribusiness portfolio and other-directed resources is calculated based on the source of funds and the need to make any compulsory investment with a portion of the funds from the relevant source. The **opportunity income**, similarly, it is predominantly post-fixed and based on the TMS of the period.

Additionally, the **Margin with the Market** is formed by (I) the result of asset and liability management (ALM) regarding the mismatch of terms, interest rates, exchange rate (and others), (II) treasury trading results. (III) All Banco Patagonia's NII.

Structural and financial numbers of Banco Patagonia are available in Chapter 11 of this MD&A.

Figure 17. Historical Data – Financial Margin with Clients and Market– R\$ million





**Table 24.** Financial Margin with Clients and Market– R\$ million

	2Q22	1Q23	2Q23	Chg. (%)		1H22	1H23	Chg. (%)
				2Q22	1Q23			1H22
<b>Net Interest Income</b>	<b>17,056</b>	<b>21,161</b>	<b>22,887</b>	<b>34.2</b>	<b>8.2</b>	<b>32,388</b>	<b>44,048</b>	<b>36.0</b>
<b>Margin with Clients</b>	<b>17,159</b>	<b>19,475</b>	<b>20,049</b>	<b>16.8</b>	<b>3.0</b>	<b>32,374</b>	<b>39,524</b>	<b>22.1</b>
Average Balance	806,985	913,999	933,243	15.6	2.1	800,266	923,621	15.4
Clients Spread <sup>1</sup>	8.78	8.80	8.87	1.1	0.9	8.25	8.74	5.9
<b>Margin with the Market <sup>2</sup></b>	<b>(103)</b>	<b>1,686</b>	<b>2,838</b>	<b>–</b>	<b>68.3</b>	<b>14</b>	<b>4,524</b>	<b>–</b>

(1) Comparing with the accounting/financial view presented at the beginning of this chapter, the Margin with clients is essentially formed by the Income from Loan Operations with private securities, net opportunity expenses for each type of operation, and Commercial Funding Expenses and Compulsory deposits, plus opportunity incomes for each type of operation; (2) Similarly, the Margin with the Market essentially consists of Treasury Income (excluding private securities), Institutional Funding Expenses, Banco Patagonia's NII and net income from opportunities (income/expenses) plus income of compulsory applications.

In 2Q23 the Margin with Clients increased 3.0% in comparison the 1Q23, explained by the increase in average, balance as well as the increase the spread, 8.8% to 8.9%. In the Margin with the Market, the result can be explained, mainly, due to the increase in the result of securities allocated in treasury and in the financial margin of Banco Patagonia during the quarter.

In the half-year comparison, the Margin with Clients (+22.1%) was driven by growth in the average balance and clients spread, with the variation in the spread mainly related to the improvement in the margin of liabilities. In the Margin with the Market, the growth is explained by the increase in the average Selic rate (6.5% in 1H23 before 5.42% no 1H22), with a direct impact on the remuneration of free securities and committed operations, in addition to the growth of Banco Patagonia financial margin.

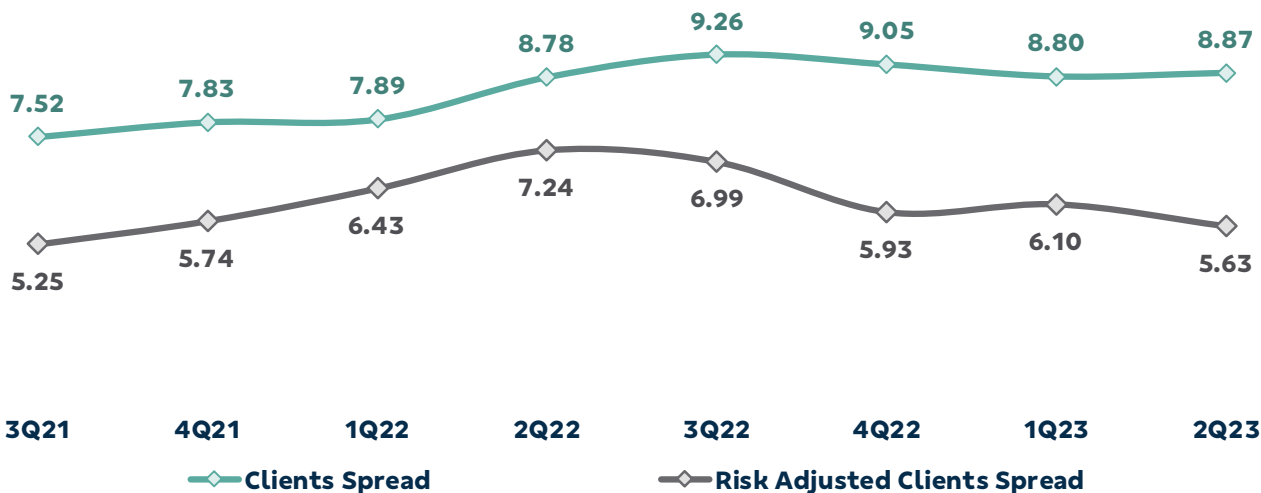
**Table 25.** Risk Adjusted Clients Spread– R\$ million

	2Q22	1Q23	2Q23	Chg. (%)		1H22	1H23	Chg. (%)
				2Q22	1Q23			1H22
<b>Margin with Clients</b>	<b>17,159</b>	<b>19,475</b>	<b>20,049</b>	<b>16.8</b>	<b>3.0</b>	<b>32,374</b>	<b>39,524</b>	<b>22.1</b>
<b>ALLL Expanded View</b>	<b>2,937</b>	<b>5,855</b>	<b>7,176</b>	<b>144.3</b>	<b>22.6</b>	<b>5,695</b>	<b>13,031</b>	<b>128.8</b>
<b>Average Balance with Clients</b>	<b>806,985</b>	<b>913,999</b>	<b>933,243</b>	<b>15.6</b>	<b>2.1</b>	<b>800,266</b>	<b>923,621</b>	<b>15.4</b>
<b>Risk Adjusted Clients Spread</b>	<b>7.24</b>	<b>6.10</b>	<b>5.63</b>	<b>(22.2)</b>	<b>(7.6)</b>	<b>6.78</b>	<b>5.82</b>	<b>(14.2)</b>

(1) Margin with Clients, net ALLL Expanded View, divided by Average Balance with Clients, annualized.



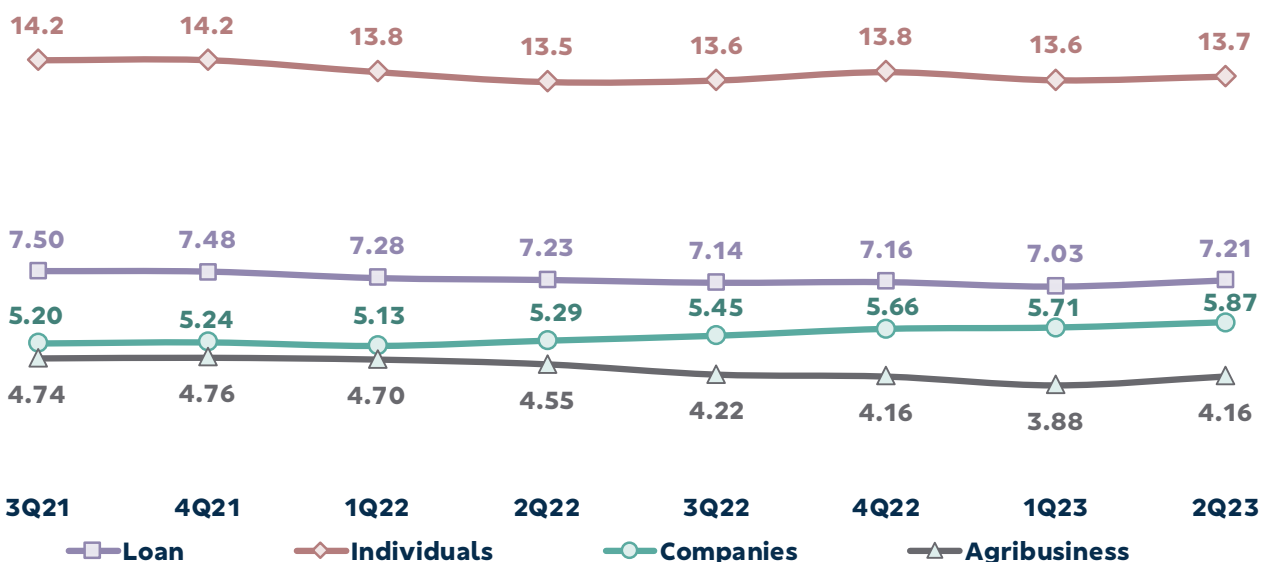
Figure 18. Clients Spread and Risk Adjusted Clients Spread – %<sup>1</sup>



<sup>1</sup> The clients spread is also impacted by the result of passive operations (commercial funding and similar) sensitive to spreads.

The credit spread was 7.21%, growth of 18bps in the quarter, compared to 7.03% in the previous quarter and 7.23% in the same period of the previous year. It is worth mentioning that credit spreads do not consider private securities operations, operations with the government and operations contracted by BB units/subsidiaries abroad.

Figure 19. Credit Spread – %<sup>1</sup>



(1) The credit spread is the result of the managerial credit margin for the quarter divided by the respective average balances of each of the portfolios in the same period, subsequently annualized.



# Assets and Liabilities Analysis

## Assets Analysis

**Table 26.** Average Balances and Interest Rate – Earning Assets (annual) – R\$ million

	2Q22			2Q23		
	Average Balance <sup>1</sup>	Revenues <sup>2</sup>	Yearly <sup>3</sup> Rate (%)	Average Balance <sup>1</sup>	Revenues <sup>2</sup>	Yearly <sup>3</sup> Rate (%)
<b>Earning Assets</b>	<b>1,834,538</b>	<b>55,221</b>	<b>12.8</b>	<b>1,890,718</b>	<b>66,931</b>	<b>15.5</b>
Loan Portfolio <sup>4</sup>	787,706	26,196	14.2	900,854	33,614	16.3
Securities and Interbank Investments <sup>5</sup>	966,389	27,276	12.0	897,789	31,368	15.2
Remunerated Compulsory Deposits	68,693	1,651	10.1	77,736	1,912	10.6
Other	11,750	98	3.4	14,339	38	1.1

(1) Arithmetic average of the final balances in the months of the relevant periods; (2) Calculated including the partial effect of the exchange rate variation; (3) Annualized average (252 business days year/business days of the period); (4) It includes Credit Transactions, Leases, and Acquired Portfolios; (5) It includes Securities (without Financial Derivatives) and Interbank Liquidity Investments.

**Table 27.** Average Balances and Interest Rate – Earning Assets (quarterly) – R\$ million

	1Q23			2Q23		
	Average Balance <sup>1</sup>	Revenues <sup>2</sup>	Yearly <sup>3</sup> Rate (%)	Average Balance <sup>1</sup>	Revenues <sup>2</sup>	Yearly <sup>3</sup> Rate (%)
<b>Earning Assets</b>	<b>1,868,827</b>	<b>64,529</b>	<b>14.5</b>	<b>1,890,718</b>	<b>66,931</b>	<b>15.5</b>
Loan Portfolio <sup>4</sup>	887,639	32,304	15.4	900,854	33,614	16.3
Securities and Interbank Investments <sup>5</sup>	891,816	30,326	14.3	897,789	31,368	15.2
Remunerated Compulsory Deposits	74,893	1,810	10.0	77,736	1,912	10.6
Other	14,478	89	2.5	14,339	38	1.1

(1) Arithmetic average of the final balances in the months of the relevant periods; (2) Calculated including the partial effect of the exchange rate variation; (3) Annualized average (252 business days year/business days of the period); (4) It includes Credit Transactions, Leases, and Acquired Portfolios; (5) It includes Securities (without Financial Derivatives) and Interbank Liquidity Investments.



**Table 28.** Average Balances and Interest Rate – Earning Assets (Accumulated) – R\$ million

	1H22			1H23		
	Average Balance <sup>1</sup>	Revenues <sup>2</sup>	Yearly Rate (%) <sup>3</sup>	Average Balance <sup>1</sup>	Revenues <sup>2</sup>	Yearly Rate (%) <sup>3</sup>
<b>Earning Assets</b>	<b>1,801,284</b>	<b>102,758</b>	<b>11.9</b>	<b>1,879,772</b>	<b>131,461</b>	<b>14.7</b>
Loan Portfolio <sup>4</sup>	782,017	50,099	13.5	894,247	65,918	15.6
Securities and Interbank Investments <sup>5</sup>	943,952	49,756	11.0	894,802	61,694	14.5
Remunerated Compulsory Deposits	64,649	2,753	8.8	76,315	3,722	10.2
Other	10,666	151	2.9	14,409	127	1.8

(1) Arithmetic average of the final balances in the months of the relevant periods; (2) Calculated including the partial effect of the exchange rate variation; (3) Annualized average (252 business days year/business days of the period); (4) It includes Credit Transactions, Leases, and Acquired Portfolios; (5) It includes Securities (without Financial Derivatives) and Interbank Liquidity Investments.

## Liabilities Analysis

**Table 29.** Average Balances and Interest Rates – Interest Bearing Liabilities (annual) – R\$ million

	2Q22			2Q23		
	Average Balance <sup>1</sup>	Expenses <sup>2</sup>	Yearly Rate (%) <sup>3</sup>	Average Balance <sup>1</sup>	Expenses <sup>2</sup>	Yearly Rate (%) <sup>3</sup>
<b>Interest Bearing Liabilities</b>	<b>1,610,114</b>	<b>(38,507)</b>	<b>10.1</b>	<b>1,650,177</b>	<b>(43,983)</b>	<b>11.5</b>
Open Market Funding	687,416	(20,147)	12.5	606,468	(19,499)	14.0
Time Deposits	372,989	(8,456)	9.5	453,164	(12,385)	11.8
Saving Deposits	217,132	(3,872)	7.4	205,820	(3,879)	8.0
Agribusiness Letters of Credit	104,491	(2,763)	11.2	153,994	(4,353)	12.2
Borrowing and Onlending	64,564	(1,278)	8.3	63,138	(1,551)	10.5
Subordinated Debt	51,973	(762)	6.1	40,062	(784)	8.3
Foreign Securities Borrowing	37,595	(388)	4.3	40,563	(563)	5.9
Financial and Development Funds	31,839	(338)	4.4	39,836	(265)	2.8
Interbank Deposits	25,271	(187)	3.0	24,995	(368)	6.2
Others Commercial Papers <sup>4</sup>	16,843	(316)	7.9	22,136	(337)	6.4

(1) Arithmetic average of the final balances in the months of the relevant periods; (2) Calculated including the partial effect of the exchange rate variation; (3) Annualized average (252 business days year/business days of the period); (4). Included: letters of credit, debentures, mortgage bonds and receivables certificates.



**Table 30. Average Balances and Interest Rates – Interest Bearing Liabilities (quarterly) – R\$ million**

	1Q23			2Q23		
	Average Balance <sup>1</sup>	Expenses <sup>2</sup>	Yearly Rate (%) <sup>3</sup>	Average Balance <sup>1</sup>	Expenses <sup>2</sup>	Yearly Rate (%) <sup>3</sup>
<b>Interest Bearing Liabilities</b>	<b>1,637,169</b>	<b>(43,844)</b>	<b>11.2</b>	<b>1,650,177</b>	<b>(43,983)</b>	<b>11.5</b>
Open Market Funding	635,324	(20,586)	13.6	606,468	(19,499)	14.0
Time Deposits	434,426	(11,637)	11.2	453,164	(12,385)	11.8
Saving Deposits	207,713	(4,009)	7.9	205,820	(3,879)	8.0
Agribusiness Letters of Credit	131,359	(3,820)	12.2	153,994	(4,353)	12.2
Borrowing and Onlending	62,918	(1,548)	10.2	63,138	(1,551)	10.5
Subordinated Debt	47,651	(848)	7.3	40,062	(784)	8.3
Foreign Securities Borrowing	37,343	(516)	5.6	40,563	(563)	5.9
Financial and Development Funds	38,289	(244)	2.6	39,836	(265)	2.8
Interbank Deposits	23,928	(312)	5.3	24,995	(368)	6.2
Others Commercial Papers <sup>4</sup>	18,219	(324)	7.3	22,136	(337)	6.4

(1) Arithmetic average of the final balances in the months of the relevant periods; (2) Calculated including the partial effect of the exchange rate variation; (3) Annualized average (252 business days year/business days of the period); (4). Included: letters of credit, debentures, mortgage bonds and receivables certificates.

**Table 31. Average Balances and Interest Rates – Interest Bearing Liabilities (Accumulated) – R\$ million**

	1H22			1H23		
	Average Balance <sup>1</sup>	Expenses <sup>2</sup>	Yearly Rate (%) <sup>3</sup>	Average Balance <sup>1</sup>	Expenses <sup>2</sup>	Yearly Rate (%) <sup>3</sup>
<b>Interest Bearing Liabilities</b>	<b>1,577,513</b>	<b>(70,735)</b>	<b>9.3</b>	<b>1,643,673</b>	<b>(87,827)</b>	<b>11.2</b>
Open Market Funding	683,374	(36,799)	11.2	620,896	(40,085)	13.6
Time Deposits	348,354	(15,454)	9.2	443,795	(24,022)	11.3
Saving Deposits	219,134	(7,499)	7.1	206,766	(7,888)	7.9
Agribusiness Letters of Credit	97,373	(4,748)	10.2	142,677	(8,174)	12.0
Borrowing and Onlending	65,429	(2,458)	7.8	63,028	(3,099)	10.2
Subordinated Debt	52,828	(1,553)	6.1	43,856	(1,632)	7.7
Foreign Securities Borrowing	38,654	(781)	4.2	38,953	(1,079)	5.7
Financial and Development Funds	31,310	(531)	3.5	39,063	(509)	2.7
Interbank Deposits	25,064	(333)	2.7	24,461	(679)	5.7
Others Commercial Papers <sup>4</sup>	15,993	(578)	7.5	20,178	(660)	6.8

(1) Arithmetic average of the final balances in the months of the relevant periods; (2) Calculated including the partial effect of the exchange rate variation; (3) Annualized average (252 business days year/business days of the period); (4). Included: letters of credit, debentures, mortgage bonds and receivables certificates.



The following tables set forth the variations in interest income and expenses due to the variation in the average volume of interest earning assets and interest-bearing liabilities and by the change in the average interest rate on these assets and liabilities for the periods indicated.

**Table 32.** Change in Volume and Rate – R\$ million

	2Q23 / 1Q23			2Q23 / 2Q22			1H23 / 1H22		
	Average Volume <sup>1</sup>	Average Rate <sup>2</sup>	Net Change <sup>3</sup>	Average Volume <sup>1</sup>	Average Rate <sup>2</sup>	Net Change <sup>3</sup>	Average Volume <sup>1</sup>	Average Rate <sup>2</sup>	Net Change <sup>3</sup>
<b>Earning Assets <sup>4</sup></b>	<b>775</b>	<b>1,627</b>	<b>2,402</b>	<b>1,989</b>	<b>9,721</b>	<b>11,710</b>	<b>5,489</b>	<b>23,214</b>	<b>28,703</b>
Loan Portfolio <sup>5</sup>	493	817	1,310	4,222	3,196	7,418	8,273	7,546	15,819
Securities and Interbank Investments <sup>6</sup>	209	833	1,042	(2,397)	6,488	4,092	(3,389)	15,327	11,938
Remunerated Compulsory Deposits	70	32	102	222	39	261	569	401	969
Other	(0)	(51)	(51)	7	(67)	(61)	33	(57)	(24)
<b>Interest Bearing Liabilities <sup>4</sup></b>	<b>(347)</b>	<b>208</b>	<b>(139)</b>	<b>(1,068)</b>	<b>(4,408)</b>	<b>(5,476)</b>	<b>(3,535)</b>	<b>(13,557)</b>	<b>(17,092)</b>
Open Market Funding	928	160	1,087	2,603	(1,955)	648	4,034	(7,319)	(3,285)
Time Deposits	(512)	(236)	(748)	(2,191)	(1,738)	(3,929)	(5,166)	(3,402)	(8,568)
Saving Deposits	36	94	130	213	(220)	(7)	472	(861)	(389)
Agribusiness Letters of Credit	(640)	107	(533)	(1,399)	(191)	(1,590)	(2,595)	(830)	(3,426)
Borrowing and Onlending	(5)	2	(3)	35	(308)	(273)	118	(759)	(641)
Subordinated Debt	148	(84)	64	233	(255)	(22)	334	(412)	(79)
Foreign Securities Borrowing	(45)	(2)	(47)	(41)	(134)	(175)	(8)	(290)	(298)
Financial and Development Funds	(10)	(11)	(22)	(53)	126	73	(101)	123	22
Interbank Deposits	(16)	(40)	(56)	4	(184)	(180)	17	(363)	(347)
Others Commercial Papers <sup>7</sup>	(60)	46	(13)	(81)	60	(21)	(137)	55	(82)

(1) Net variation – Average Rate; (2) (Interest for the Current Period / Balance in the Current Period) x (Balance in the Previous Period) – (Interest for the Previous Period); (3) Interest for the Current Period – Interest for the Previous Period; (4) Calculation based on the same method presented in footnotes 1, 2, and 3; (5) Includes Loan Operations, Leasing and Acquired Portfolio; (6) Includes Securities (without financial derivatives instruments) and Interbank Investments; (7) Included: letters of credit, debentures, mortgage bonds and mortgage receivables certificates.

## Assets Synthetic Analysis

**Table 33.** Assets Synthetic Breakdown – R\$ million

	Jun/22		Mar/23		Jun/23		Chg. (%)	
	Jun/22	Share %	Mar/23	Share %	Jun/23	Share %	Jun/22	Mar/23
<b>Total Assets</b>	<b>2,091,608</b>	<b>100.0</b>	<b>2,114,744</b>	<b>100.0</b>	<b>2,103,152</b>	<b>100.0</b>	<b>0.6</b>	<b>(0.5)</b>
Classified Loan Portfolio	813,468	38.9	915,170	43.3	921,558	43.8	13.3	0.7
Liquidity Assets	980,105	46.9	914,083	43.2	896,586	42.6	(8.5)	(1.9)
Other	298,035	14.2	285,490	13.5	285,008	13.6	(4.4)	(0.2)

## Volume and Rate Analysis

Figure 20. Earning Assets Breakdown – %

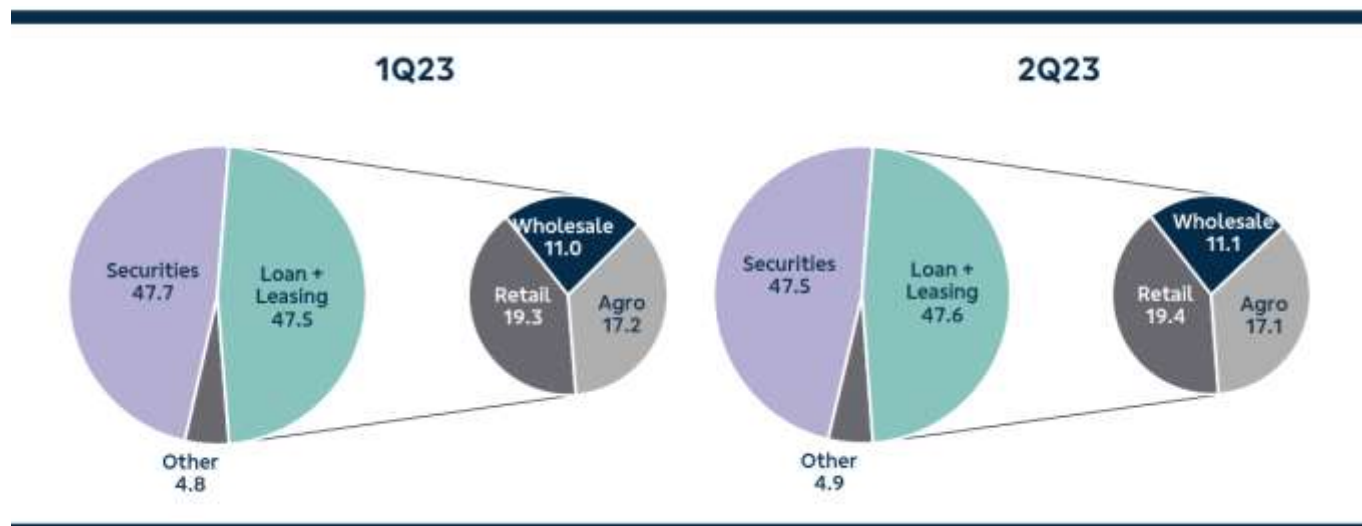


Table 34. Analysis of Volume (Earning Assets) – R\$ million

	Quarter Spread		
	1Q23	2Q23	Abs. Chg.
Assets – Earning Assets (a) <sup>1</sup>	1,868,827	1,890,718	21,892
Net Interest Income (b)	21,161	22,887	1,726
Spread (b/a) – %	1.132	1.211	0.078
Gain/(Loss) with Volume <sup>2</sup>			248
Gain/(Loss) with Spread <sup>3</sup>			1,461
Gain/(Loss) with Volume and Spread			17

(1) Arithmetic average of the closing balances of months that comprise the period; (2) Gain/(Loss) resulting from multiplying the earning assets volume of the current period for the spread of the previous period net previous NII; (3) Gain/(Loss) resulting from multiplying the earning assets volume of the previous period for the spread of the current period net previous NII.





## Net Interest Margin

Net Interest Margin (NIM) is the net interest income divided by the average balance of earning assets.

Net Interest Margin (NIM) increased in the quarter (+32 bps) and in the half-year comparison (+111 bps), reflection, mainly by the NII's positive performance (+8.2% in the quarter and +36.0% in the half-year comparison).

**Table 35.** Net Interest Margin and Net Interest Income – R\$ million

	2Q22	1Q23	2Q23	1H22	1H23
(a) Average Interest Earning Assets (AIEA)	1,834,538	1,868,827	1,890,718	1,801,284	1,879,772
(b) Average Interest Bearing Liabilities (AIBL)	1,610,114	1,637,169	1,650,177	1,577,513	1,643,673
<b>(c) NII</b>	<b>17,056</b>	<b>21,161</b>	<b>22,887</b>	<b>32,388</b>	<b>44,048</b>
<b>(d) Net Interest Gain</b>	<b>16,714</b>	<b>20,685</b>	<b>22,948</b>	<b>32,023</b>	<b>43,633</b>
(d.I) Interest Income	55,221	64,529	66,931	102,758	131,461
(d.II) Interest Expense	(38,507)	(43,844)	(43,983)	(70,735)	(87,827)
<b>(e) Other Items <sup>1</sup></b>	<b>342</b>	<b>476</b>	<b>(61)</b>	<b>364</b>	<b>415</b>
AIBL / AIEA (b/a) – %	87.8	87.6	87.3	87.6	87.4
Yield Average Assets <sup>2 4</sup> (d.I/a) – %	12.6	14.5	14.9	11.7	14.5
Liabilities Average Cost <sup>2 4</sup> (d.II/b) – %	9.9	11.2	11.1	9.2	11.0
Net Interest Rate <sup>2 3</sup> – %	2.7	3.4	3.8	2.6	3.5
Adjusted NIM <sup>2</sup> (d/a) – %	3.7	4.5	4.9	3.6	4.7
NIM <sup>2</sup> (c/a) – %	3.8	4.6	4.9	3.6	4.7

(1) Includes derivatives, debt assumption contracts, foreign exchange portfolio, recovery of write-offs, gold loans, credit guarantor fund, foreign exchange gain/loss abroad and other income of a financial intermediation nature; (2) Annualized Rates; (3) Difference between average rate of earning assets and average rate of interest-bearing liabilities; (4) Calculated partial effect of exchange rate change.

**Table 36.** Net Interest Margin (NIM) – %

	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23
Net Interest Margin (NIM) <sup>1</sup>	3.6	3.7	3.5	3.5	3.8	4.2	4.7	4.6	4.9
Risk Adjusted NIM <sup>2</sup>	2.8	2.8	2.6	2.9	3.1	3.2	3.2	3.3	3.4

(1) NII/Earning Assets average annualized; (2) Risk adjusted Net Interest Margin (NII less ALLL Extended View)/Earning Assets average, annualized.



## Balance in Foreign Currencies

Banco do Brasil uses tax hedging strategy, to reduce the earnings volatility, after tax effects, considering that earnings with the exchange rate variation of investments abroad are not taxed, just as losses do not generate a deduction in the tax base.

Due to Law No. 14,031/20, starting in 2021, the exchange rate variation of risk covered investments abroad is considered in the evaluation of calculation basis of taxable profit and social contribution, in the proportion of 50% in the first year (2021) and 100% from 2022 on, resulting in tax hedge balance reduction.

Banco do Brasil manages its foreign exchange exposure to minimize its effects on the Consolidated Result. The following table presents the Bank's consolidated statement of assets, liabilities, and derivatives in foreign currencies. In June, 2023, net foreign exchange exposure totaled US\$626 million on assets.

**Table 37.** Balance in Foreign Currencies – R\$ million

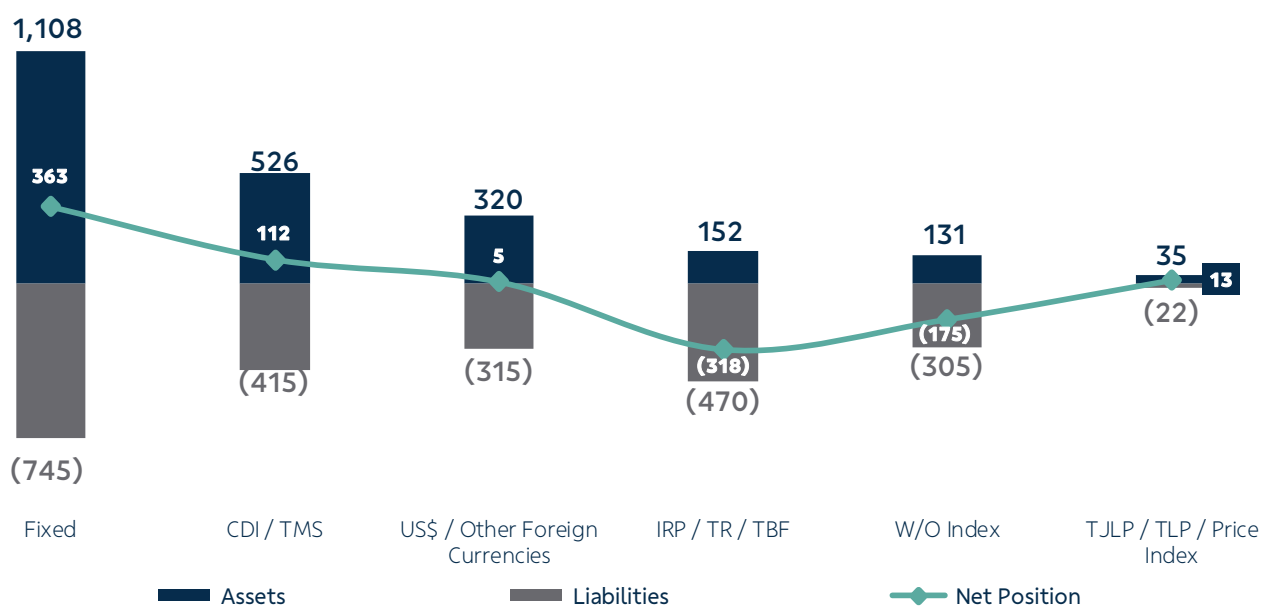
Currency	Balance Sheet		Derivatives		Total	
	Assets	Liabilities	Long	Short	Assets + Long	Liabilities + Short
U.S. Dollar	202,397	(201,795)	33,477	(32,975)	235,874	(234,770)
Euro	15,212	(10,659)	2,362	(6,942)	17,574	(17,601)
Yen	3,141	(3,253)	949	(569)	4,090	(3,822)
Pound Sterling	297	(290)	37	(71)	334	(361)
Swiss Franc	18	(15)	–	–	18	(15)
Gold	32	–	–	–	32	–
Canadian Dollar	22	(14)	–	–	22	(14)
Other	24,695	(24,373)	1,333	–	26,028	(24,373)
<b>Total</b>	<b>245,814</b>	<b>(240,399)</b>	<b>38,158</b>	<b>(40,557)</b>	<b>283,972</b>	<b>(280,956)</b>
<b>Total Net Position</b>					<b>3,016</b>	
<b>Total Net Position - in US\$ million</b>					<b>626</b>	



## Balance Sheet by Index

The following figure presents Banco do Brasil's breakdown of consolidated assets and liabilities, including derivatives and its net position, by index, on June 30, 2023.

Figure 21. Assets and Liabilities by Index and Net Position – R\$ billion





## Maturity Mismatch Profile

Banco do Brasil’s consolidated inventory of transactions sensitive to changes in interest rates (by maturity) is presented in the following table:

**Table 38.** Maturity Mismatch (Consolidated) – R\$ million

	< 1 Mo	1 > 3 Mo	3 > 6 Mo	6 > 12 Mo	1 > 3 Yrs	> 3 Yrs	Total
<b>Assets</b>	<b>723,619</b>	<b>96,598</b>	<b>132,392</b>	<b>175,488</b>	<b>384,896</b>	<b>640,415</b>	<b>2,153,408</b>
Fixed	572,147	55,524	100,745	102,877	162,018	156,909	1,150,221
CDI / TMS	26,193	13,727	18,389	29,331	139,590	269,735	496,965
IRP / TR / TBF	7,883	6,295	2,096	10,764	27,201	94,913	149,151
Price Index	304	35	749	3,527	8,420	2,618	15,653
TJLP / TLP	210	459	629	1,169	3,885	13,024	19,375
US\$ / Other Foreign Currencies	116,882	20,558	9,784	27,820	43,783	103,217	322,044
<b>Liabilities</b>	<b>(925,604)</b>	<b>(90,156)</b>	<b>(71,607)</b>	<b>(126,037)</b>	<b>(346,961)</b>	<b>(431,324)</b>	<b>(1,991,689)</b>
Fixed <sup>1</sup>	(743,239)	(6,759)	(15,156)	(13,695)	(31,196)	(22,364)	(832,408)
CDI / TMS	(68,214)	(53,965)	(29,274)	(51,637)	(151,713)	(5,801)	(360,603)
IRP / TR / TBF	(22,869)	(10,828)	(8,729)	(17,950)	(108,702)	(291,727)	(460,806)
Price Index	2,190	(1)	(5)	–	(347)	(3,192)	(1,355)
TJLP / TLP	(121)	(222)	(333)	(455)	(1,541)	(18,076)	(20,747)
US\$ / Other Foreign Currencies	(93,350)	(18,382)	(18,110)	(42,301)	(53,463)	(90,165)	(315,770)
<b>Gap</b>	<b>(201,984)</b>	<b>6,442</b>	<b>60,785</b>	<b>49,451</b>	<b>37,935</b>	<b>209,091</b>	<b>161,719</b>
<b>Cumulative Gap</b>	<b>(201,984)</b>	<b>(195,543)</b>	<b>(134,758)</b>	<b>(85,307)</b>	<b>(47,372)</b>	<b>161,719</b>	
<b>Cumul. Gap as % Assets</b>	<b>(27.9)</b>	<b>(202.4)</b>	<b>(101.8)</b>	<b>(48.6)</b>	<b>(12.3)</b>	<b>25.3</b>	

(1) Fixed liabilities include checking accounts deposits (R\$75.9 billion).



## 3.

# Fee Income

Fee income was R\$8.3 billion in 2Q23, up 1.9% QoQ, positively influenced by loan operations and guarantees (+26.6%) and consortium (+5.6%) operations. This performance reflects the good commercial performance, with higher loan disbursements, notably for wholesale customers, and an increase in the commercialization of consortiums in the period, which reached 104 thousand new quotas in a total of R\$8.5 billion.

In the half-yearly comparison, up 6.8%, with a positive performance in most business lines, with emphasis on the growth of R\$266 million in insurance, pension plan and premium bonds, due to the increase in revenues from brokerage.



The following table shows the fee income breakdown, and it should be evaluated considering the seasonality effects (products and services volume sold and number of business days) and the dynamics of the businesses that impact revenue, such as asset management, lending, consortium commercial performance or capital markets activity. This information is available in Chapter 10 of this document.

**Table 39.** Fee Income – R\$ million

	2Q22	1Q23	2Q23	Chg. (%)		1H22	1H23	Chg. (%)
				2Q22	1Q23			1H22
<b>Fee Income</b>	<b>7,847</b>	<b>8,132</b>	<b>8,286</b>	<b>5.6</b>	<b>1.9</b>	<b>15,372</b>	<b>16,418</b>	<b>6.8</b>
Asset Management	2,129	2,056	2,035	(4.4)	(1.0)	4,089	4,091	0.1
Checking Account	1,544	1,573	1,629	5.5	3.6	3,034	3,201	5.5
Insur., Pens. Plans & Premium Bonds	1,142	1,306	1,281	12.2	(1.9)	2,321	2,587	11.5
Loans and Guarantees	582	525	664	14.2	26.6	1,043	1,189	14.0
Credit/Debit Cards	585	674	618	5.7	(8.2)	1,145	1,292	12.9
Consortium Management Fees	348	573	605	73.9	5.6	893	1,179	32.0
Collections	383	371	359	(6.2)	(3.1)	751	730	(2.9)
Billings	257	254	253	(1.7)	(0.5)	511	507	(0.7)
Contract Processing	243	234	241	(0.5)	3.2	392	475	21.3
Subsidiaries Abroad	206	225	219	6.5	(2.6)	403	445	10.2
Capital Market	120	79	85	(28.9)	7.7	213	164	(22.8)
Nat. Treas. & Official Funds Manag.	93	85	85	(8.4)	0.7	181	170	(6.0)
Foreign Exchange Services	64	63	85	33.3	34.2	127	148	16.5
Other	152	114	124	(18.3)	8.5	268	239	(11.0)
<b>Business Days</b>	<b>62</b>	<b>63</b>	<b>61</b>	<b>(1.6)</b>	<b>(3.2)</b>	<b>124</b>	<b>124</b>	<b>0</b>



The main variations in the quarterly and half-yearly view are presented below.

Figure 22. Quarterly Changes in Fee Income – R\$ million

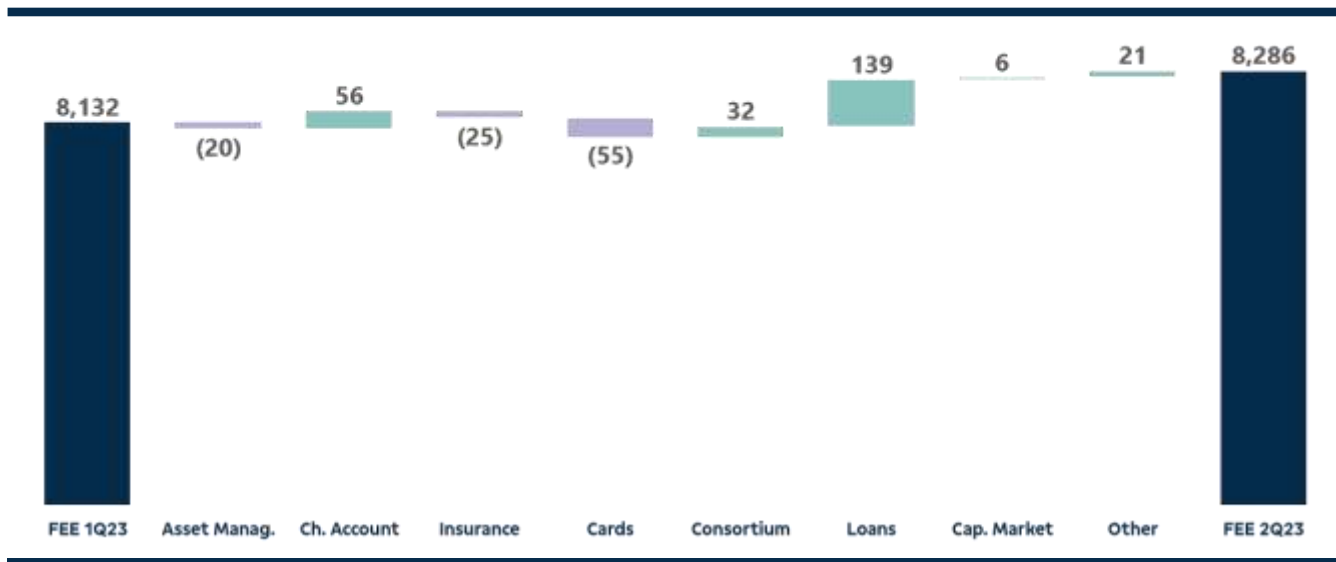
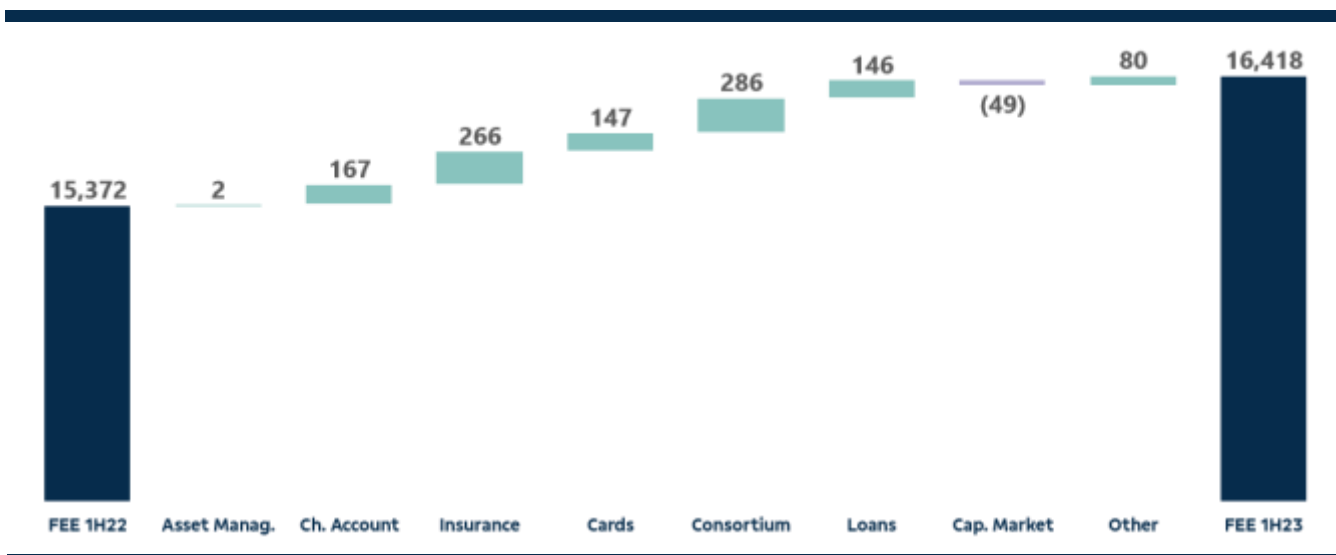


Figure 23. Annual Changes in Fee Income – R\$ million





## 4.

# Administrative Expenses

In 2Q23, administrative expenses were R\$9.0 billion, up 3.9% QoQ, due to the increase of 5.3% in Other Administrative Expenses and 3.1% in Personnel Expenses.

In comparison with 1H22, administrative expenses grew 7.4%, within the range of the Corporate Projections. The cost-to-income ratio accumulated in 12 months was 28.3%, the best level of the historical data.

This section also presents BB's service network.





Table 40. Administrative Expenses – R\$ million

	2Q22	1Q23	2Q23	Chg. (%)		1H22	1H23	Chg. (%)
				2Q22	1Q23			1H22
<b>Administrative Expenses</b>	(8,305)	(8,698)	(9,035)	8.8	3.9	(16,505)	(17,733)	7.4
<b>Personnel Expenses</b>	(5,345)	(5,618)	(5,791)	8.4	3.1	(10,534)	(11,409)	8.3
Wages and Salaries	(2,949)	(2,692)	(3,268)	10.8	21.4	(5,417)	(5,960)	10.0
Social Charges	(875)	(867)	(929)	6.2	7.2	(1,686)	(1,795)	6.5
Benefits	(830)	(904)	(927)	11.6	2.5	(1,666)	(1,831)	9.9
Pension Plans	(208)	(216)	(228)	9.8	5.6	(411)	(444)	8.3
Personnel Administrative Provisions	(449)	(917)	(409)	(8.7)	(55.3)	(1,297)	(1,326)	2.2
Training	(20)	(9)	(13)	(33.4)	51.9	(31)	(22)	(27.9)
Directors and Officers Remuneration	(14)	(14)	(17)	17.7	20.4	(27)	(30)	14.2
<b>Other Administrative Expenses</b>	(2,960)	(3,080)	(3,243)	9.6	5.3	(5,972)	(6,324)	5.9
Rent and Property Maintenance	(671)	(686)	(686)	2.3	0.1	(1,359)	(1,372)	1.0
Security and Transport Services	(468)	(479)	(501)	7.1	4.7	(902)	(980)	8.7
Amortization and Depreciation	(467)	(509)	(521)	11.6	2.5	(933)	(1,030)	10.4
Expenses with Outsourced Services	(397)	(410)	(413)	4.0	0.7	(771)	(822)	6.7
Telecommunic. and Data Processing	(282)	(353)	(352)	25.1	(0.3)	(557)	(705)	26.7
Programa de Desempenho Gratificado - PDG	(140)	(151)	(142)	2.0	(5.6)	(279)	(293)	5.0
Advertising and Public Relations	(180)	(135)	(189)	4.7	40.2	(303)	(323)	6.8
Others	(357)	(359)	(439)	23.1	22.3	(870)	(798)	(8.2)

Personnel Expenses was R\$5.8 billion in 2Q23, up 3.1% QoQ and up 8.3% YoY, according to the 8% salary increase granted to bank employees in a collective bargaining agreement in September/22.

Other Administrative Expenses was R\$3.2 billion in 2Q23, up 5.3% QoQ, influenced by BB's the Advertising and Public Relations line.

Compared to 1H22, Other Administrative Expenses increased by 5.9%, mainly justified by the increase in telecommunication and processing and data expenses, due to the investments made in the Bank's Digital Transformation.



Table 41. BB's Staff Profile

	Jun/22	Sep/22	Dec/22	Mar/23	Jun/23
<b>Employees</b>	86,313	86,430	85,953	85,457	85,031
<b>Gender</b>					
Female	36,182	36,171	36,002	35,833	35,701
Male	50,131	50,259	49,951	49,624	49,330
<b>Educational Level</b>					
High School	10,419	10,453	10,065	9,676	9,401
College	26,745	26,580	26,261	25,900	25,487
Specialization, Master's and Doctorate	49,066	49,315	49,546	49,800	50,063
Others	83	82	81	81	80
<b>Position</b>					
Management	31,338	31,367	31,411	31,423	31,366
Technical	1,171	1,178	1,186	1,184	1,192
Advisor	10,033	10,158	10,176	10,301	10,357
Operational	43,645	43,601	43,052	42,418	41,980
Specialist	126	126	128	131	136
<b>Interns</b>	<b>45</b>	<b>103</b>	<b>295</b>	<b>321</b>	<b>377</b>
<b>Turnover - Quarterly Index (%)</b>	<b>0.9</b>	<b>0.6</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>

Banco do Brasil released the result of the external selection launched in December 2022, which had almost one and a half million subscribers. Candidates classified within the number of vacancies (2,149 for commercial agents and 2,150 for technology agents) will be called during the term of the notice. The call is expected to take place during the second half of 2023.



## Customer Service Network

Banco do Brasil's service network is segmented into its own, shared, and correspondent network.

Table 42. Service Network

	Jun/22	Mar/23	Jun/23	Chg. (%)	
				Jun/22	Mar/23
<b>Service Network</b>	<b>54,929</b>	<b>55,805</b>	<b>55,303</b>	<b>0.7</b>	<b>(0.9)</b>
<b>Own Service Network</b>	<b>11,251</b>	<b>11,064</b>	<b>10,983</b>	<b>(2.4)</b>	<b>(0.7)</b>
Branches	3,986	3,980	3,985	(0.0)	0.1
Service Posts	1,658	1,600	1,569	(5.4)	(1.9)
Automated Service Posts	5,607	5,484	5,429	(3.2)	(1.0)
<b>MaisBB Network</b>	<b>19,214</b>	<b>19,676</b>	<b>19,571</b>	<b>1.9</b>	<b>(0.5)</b>
<b>Shared Network Channels</b>	<b>24,464</b>	<b>25,065</b>	<b>24,749</b>	<b>1.2</b>	<b>(1.3)</b>
Banco24Horas	23,873	24,285	24,229	1.5	(0.2)
ATM: Partner Banks	591	780	520	(12.0)	(33.3)



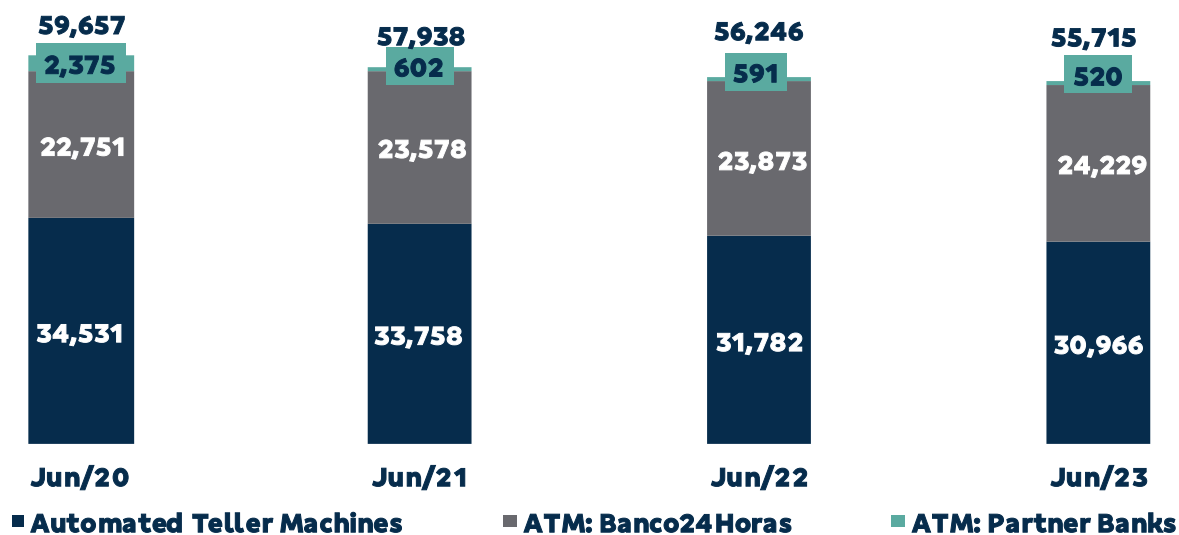
Table 43. Traditional and Specialized Service Network

	Jun/22	Mar/23	Jun/23	Chg. (%)	
				Jun/22	Mar/23
<b>Own Service Network</b>	<b>11,251</b>	<b>11,064</b>	<b>10,983</b>	<b>(2.4)</b>	<b>(0.7)</b>
<b>Traditional Service</b>	<b>10,422</b>	<b>10,239</b>	<b>10,154</b>	<b>(2.6)</b>	<b>(0.8)</b>
Traditional Branches	3,173	3,172	3,172	(0.0)	–
Service Posts	1,642	1,583	1,553	(5.4)	(1.9)
Automated Service Posts	5,607	5,484	5,429	(3.2)	(1.0)
<b>Specialized Service</b>	<b>829</b>	<b>825</b>	<b>829</b>	<b>–</b>	<b>0.5</b>
Digital and Specialized Serv. Branches	813	808	813	–	0.6
Digital Offices	16	17	16	–	(5.9)

## Automated Teller Machines (ATM)

Banco do Brasil provides its customers with an extensive ATMs network in Brazil. The next figure shows the number of ATMs in its own network, in partnerships with other banks and the Banco24Horas network.

Figure 24. Automated Teller Machines (ATM)





# Indicators

**Table 44.** Adjusted Coverage Ratios – R\$ million

	<b>2Q22</b>	<b>3Q22</b>	<b>4Q22</b>	<b>1Q23</b>	<b>2Q23</b>
Fee Income (A)	7,847	8,524	8,437	8,132	8,286
<b>Adm. Expenses (B) = (C) + (D)</b>	<b>8,305</b>	<b>8,405</b>	<b>8,918</b>	<b>8,698</b>	<b>9,035</b>
Personnel Expenses (C)	5,345	5,415	5,622	5,618	5,791
Other Administrative Expenses (D)	2,960	2,990	3,297	3,080	3,243
<b>Personnel Exp. Coverage (A/C) - %</b>	<b>146.8</b>	<b>157.4</b>	<b>150.1</b>	<b>144.8</b>	<b>143.1</b>
<b>Personnel Exp. Coverage 12 m - %</b>	<b>147.3</b>	<b>149.5</b>	<b>149.9</b>	<b>149.7</b>	<b>148.7</b>
<b>Adm. Exp. Coverage (A/B) - %</b>	<b>94.5</b>	<b>101.4</b>	<b>94.6</b>	<b>93.5</b>	<b>91.7</b>
<b>Adm. Exp. Coverage 12 months - %</b>	<b>93.0</b>	<b>94.9</b>	<b>95.6</b>	<b>96.0</b>	<b>95.2</b>

**Table 45.** Adjusted Cost-to-Income Ratio – R\$ million

	<b>2Q22</b>	<b>3Q22</b>	<b>4Q22</b>	<b>1Q23</b>	<b>2Q23</b>
<b>Administrative Expenses (A)</b>	<b>8,305</b>	<b>8,405</b>	<b>8,918</b>	<b>8,698</b>	<b>9,035</b>
Personnel Expenses	5,345	5,415	5,622	5,618	5,791
Other Administrative Expenses	2,960	2,990	3,297	3,080	3,243
<b>Operating Income (B)</b>	<b>26,933</b>	<b>30,459</b>	<b>33,174</b>	<b>27,767</b>	<b>32,560</b>
Net Interest Income	17,056	19,558	21,451	21,161	22,887
Recovery of Write-offs	2,136	2,224	2,300	1,889	2,150
Discounts Granted	(347)	(264)	(306)	(359)	(491)
Impairments	(146)	(163)	(363)	(3,237)	(340)
Fee Income	7,847	8,524	8,437	8,132	8,286
Equity Int. in Assoc. Companies and JV	1,340	1,470	1,624	1,657	1,831
Other Operating Income/Expenses	(953)	(892)	32	(1,475)	(1,763)
<b>Cost-to-Income Ratio (A/B) - %</b>	<b>30.8</b>	<b>27.6</b>	<b>26.9</b>	<b>31.3</b>	<b>27.7</b>
<b>Cost-to-Income Ratio 12 months - %</b>	<b>33.2</b>	<b>31.6</b>	<b>29.4</b>	<b>29.0</b>	<b>28.3</b>



## 5.

# Other Operating Income and Expenses

This section presents the main lines that composes the result of Other Operating Income and Expenses, namely: Other Incomes, Other Expenses and Equity Income, this last, part of its results is consolidated in other lines of the Statement of Income, and the remaining results, highlighted in Net gains from equity method investments.



## Other Income and Expenses

The following table presents the main lines that composes the results on other operating income and expenses:

**Table 46.** Other Operating Income/Expenses – R\$ million

	2Q22	1Q23	2Q23	Chg. (%)		1H22	1H23	Chg. (%)
				2Q22	1Q23			1H22
<b>Other Income</b>	<b>1,742</b>	<b>1,786</b>	<b>1,538</b>	<b>(11.7)</b>	<b>(13.9)</b>	<b>3,291</b>	<b>3,324</b>	<b>1.0</b>
Update of Deposits in Guarantee	792	686	673	(14.9)	(1.9)	1,501	1,360	(9.4)
Recovery of Charges and Expenses	337	411	381	13.2	(7.4)	734	792	8.0
Card Transactions	94	152	72	(23.2)	(52.6)	167	223	33.7
Reversal of Provisions - Other	58	28	21	(63.9)	(24.2)	84	49	(41.7)
Non-financial Subsidiaries	35	77	72	107.7	(6.6)	54	149	176.3
Clube de Benefícios BB	98	94	98	(0.0)	4.8	199	192	(3.3)
Adjustment of recoverable tax	78	69	49	(36.8)	(28.2)	103	118	14.4
Other	251	270	171	(31.9)	(36.6)	450	441	(2.0)
	2Q22	1Q23	2Q23	Chg. (%)		1H22	1H23	Chg. (%)
	2Q22	1Q23	2Q23	2Q22	1Q23			1H22
<b>Other Expenses</b>	<b>(2,696)</b>	<b>(3,262)</b>	<b>(3,325)</b>	<b>23.3</b>	<b>1.9</b>	<b>(5,469)</b>	<b>(6,587)</b>	<b>20.4</b>
Card Transactions	(532)	(631)	(785)	47.7	24.5	(1,089)	(1,416)	30.0
Business Relationship Allowance	(181)	(463)	(467)	158.4	0.9	(361)	(931)	157.8
Business Relationship Bonus	(452)	(332)	(301)	(33.4)	(9.5)	(907)	(633)	(30.2)
Actuarial Liabilities Update	(297)	(316)	(316)	6.3	–	(594)	(632)	6.3
Non-financial Subsidiaries	(157)	(210)	(202)	28.7	(3.9)	(322)	(412)	28.1
Expenses with outsourced services	(278)	(314)	(319)	14.7	1.5	(530)	(633)	19.4
INSS (Social Security) Agreement	(116)	(124)	(124)	6.6	(0.4)	(234)	(248)	6.2
ATM Network	(97)	(114)	(89)	(7.9)	(21.8)	(209)	(204)	(2.7)
Life Insurance Premium - Consumer Credit	(61)	(88)	(88)	44.3	0.4	(121)	(176)	45.9
Failures/Frauds and Other Losses	(75)	(65)	(71)	(5.4)	9.6	(125)	(136)	8.2
Compensation for transactions of banking corresp.	(74)	(94)	(58)	(20.9)	(38.2)	(159)	(153)	(4.0)
Other	(376)	(510)	(504)	34.0	(1.1)	(818)	(1,014)	23.9



## Information on Subsidiaries and Affiliates

Table 47. Investments in associates and joint ventures in Brazil – R\$ thousand

Equity Interest	Activity	Share	Book Value		Equity Income	
			Jun/22	Jun/23	1H22	1H23
Banco Votorantim S.A.	Multiple Bank (ii)	50.00%	6,349,446	6,449,454	206,043	264,289
BB Administradora de Cartões de Crédito S.A.	Service Rendering (i)	100.00%	40,701	41,100	16,368	16,767
BB Administradora de Consórcios S.A.	Consortiums (i)	100.00%	727,543	894,465	441,068	580,597
BB Banco de Investimento S.A. – BBBI	Investment Bank (i)	100.00%	863,641	884,919	234,358	231,755
▪ Ativos S.A. Securitizadora de Créditos Financeiros <sup>1</sup>	Credit Acquisition (i)	100.00%	1,068,796	1,061,211	124,548	104,426
▪ Tecnologia Bancária S.A. – Tecban <sup>2</sup>	Service Rendering (ii)	12.98%	125,867	118,458	10,591	(6,024)
▪ UBS BB Serv. de Assessoria Fin. e Participações S.A. <sup>3</sup>	Investment Bank (ii)	49.99%	723,614	727,836	6,388	(9,165)
BB Asset	Asset Management (i)	100.00%	1,346,370	1,430,353	923,624	923,903
BB Elo Cartões Participações S.A. <sup>4</sup>	Holding (i)	100.00%	10,338,768	10,563,570	1,087,978	1,131,433
▪ Cateno Gestão de Contas de Pagamento S.A. <sup>2 5 4</sup>	Service Rendering (ii)	50.22%	3,090,195	2,819,213	136,723	201,086
▪ Cielo S.A.	Service Rendering (ii)	28.89%	3,049,517	3,372,602	227,031	332,032
▪ Elo Participações S.A.	Holding (ii)	49.99%	1,057,288	1,197,919	299,703	394,369
▪ Alelo S.A. <sup>7</sup>	Service Rendering (ii)	49.99%	399,640	379,482	70,668	96,054
▪ Elo Serviços S.A.	Service Rendering (ii)	28.53%	289,624	296,521	61,650	65,308
BB Leasing S.A. Arrendamento Mercantil	Leasing (i)	100.00%	4,789,750	4,807,811	138,892	176,268
BB Seguridade Participações S.A.	Holding (i)	66.36%	4,734,470	5,540,803	1,804,486	2,496,635
▪ BB Corretora de Seg. e Adm. de Bens S.A.	Brokerage (i)	66.36%	6,174	6,174	1,207,114	1,414,506
▪ BB Seguros Participações S.A.	Holding (i)	66.36%	7,149,081	7,434,726	1,384,423	2,316,185
▪ BB Mapfre Participações S.A.	Holding (ii)	49.76%	2,041,569	1,865,968	753,685	1,337,019
▪ Brasilcap Capitalização S.A.	Capitalization (ii)	44.24%	383,558	443,752	78,239	84,213
▪ Brasidental S.A.	Service Rendering (ii)	49.77%	19,408	17,005	11,027	8,272
▪ Brasilprev Seguros e Previdência S.A.	Insurance/Pension (ii)	49.77%	4,552,663	5,644,605	664,816	862,860
BB Tecnologia e Serviços S.A. – BBTS	IT (i)	99.99%	291,504	392,570	30,218	70,977

(i) Companies fully included in the accounting consolidation. (ii) Companies accounted for by equity method.

(1) BB holds indirect participation in Ativos S.A. 74.50% by BBBI and 25.50% by BB Cayman Islands Holding. (2) BB holds indirect participation in Tecban 7.02% by BBBI and direct participation 5.96% by Banco do Brasil, totaling 12.98%. (3) Book value does not include unrealised profit arising (RNR) from a new strategic partnership between BB Elo Cartões Participações S.A. and Cielo S.A., forming Cateno Gestão de Contas de Pagamento S.A. and unrealised profit arising from strategic partnership between BBBI and UBS A.G. (4) Incorporation of Cielo S.A. in June/2019. (5) Banco do Brasil holds direct participation in Cateno 30.0% by BB Multiple Bank and indirect participation 20.15% by BBBI, totaling 50.15%. (6) The values shown (Book Value and Equity Income) of company Cateno Gestão de Contas de Pagamento S.A. are equivalent to 30% of direct participation by Banco do Brasil. (7) Indirect participation in Alelo S.A. through Elo Holding, a wholly-owned subsidiary of Elo Participações S.A.





Table 48. Investments in associates and joint ventures Overseas – R\$ thousand

Equity Interest	Activity	Share	Book Value		Equity Income	
			Jun/22	Jun/23	1H22	1H23
Banco do Brasil Aktiengesellschaft – BBAG	Holding (i)	100.00%	1,021,928	930,797	(60,008)	(43,725)
Banco Patagonia S.A.	Multiple Bank (i)	80.39%	2,790,701	3,132,822	876,744	1,630,790
BB Americas	Multiple Bank (i)	100.00%	342,813	890,287	11,954	112,968
BB Cayman Islands Holding – BBCI	Holding (i)	100.00%	1,541,582	1,006,778	(20,893)	26,007
▪ BB Securities LTD	Brokerage (i)	100.00%	311,604	363,081	(36,418)	2,267
BB Securities LLC	Brokerage (i)	100.00%	436,260	297,751	527	8,629

(i) Companies fully included in the accounting consolidation.



## 6.

# Capital Management

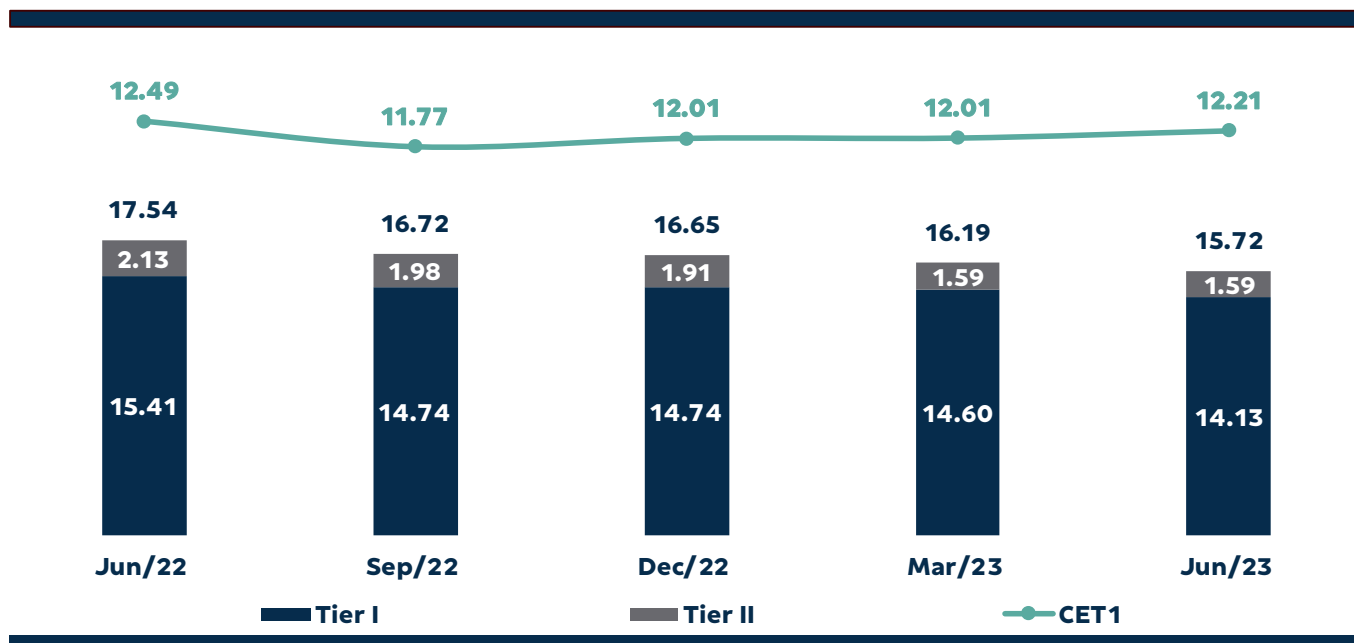
Risk and capital management is fundamental to banking industry sustainability. Risk identification, measurement, evaluation, monitoring, reporting, controlling, and mitigation methods safeguard financial institutions in adverse times and support for the generation of positive and recurring results over time.

Capital adequacy ratio was 15.72% in June 2023. The Tier I was 14.13%, with 12.21% of CET1. The Referential Equity, which considers the requirements to assess Basel regulatory capital, was R\$174.4 billion, up 3.2% YoY.

Risk management at Banco do Brasil contemplates all relevant risks declared in BB's risk inventory. Management activities are carried out by specialized structures, according to the objectives, policies, strategies, processes, and systems described in each of these risks.



Figure 25. Capital Adequacy Ratio Performance - %



The capital adequacy ratio is calculated according to the criteria established by CMN Resolutions No. 4,955/2021 and No. 4,958/2021, which provides the calculation of the Referential Equity and the Minimum Referential Equity Requirements (MRER) in relation to the Risk-Weighted Assets (RWA), respectively. Technical terms used for capital regulation are available in the glossary.

BB has a Capital Plan with a three-year prospective view, considering (a) the Risk Appetite Statement (RAS), (b) the Corporate Strategy and (c) the Master Plan and (d) the Corporate Budget.

The focus is on organic capital generation and credit growth on lines with better return versus risk.

The consolidation scope used as the basis for verifying the operating limits is the Prudential Conglomerate, defined in CMN Resolution No.4,950/2021.

Pursuant to the Brazil’s Accounting Plan of the Financial Institutions (Cosif), the Prudential Conglomerate encompasses not only financial institutions, but also consortium administrators, payment institutions, companies that directly or indirectly purchase transactions or assume credit risk, and investment funds in which the conglomerate retains significant risks and benefits.



Regarding the Instruments eligible for capital, according to the Notice to the Market, of April 8, 2021, Banco do Brasil presented a proposal to return this instrument (IHCD) in seven annual installments of R\$1 billion and a final installment of R\$1.1 billion, based on a schedule between July/2022 and July/2029.

On July 28,2022, the transfer of the first installment was effected and on July 27,2023 the transfer of the second installment was effected to the Treasury.

**Table 49.** Capital Adequacy Ratio – R\$ million

	Balance				
	Jun/22	Sep/22	Dec/22	Mar/23	Jun/23
<b>Referential Equity (RE)</b>	<b>168,976</b>	<b>173,760</b>	<b>178,689</b>	<b>179,258</b>	<b>174,370</b>
<b>Tier I</b>	<b>148,441</b>	<b>153,224</b>	<b>158,153</b>	<b>161,656</b>	<b>156,767</b>
Common Equity Tier 1 Capital (CET1)	120,266	122,355	128,803	133,017	135,501
Shareholders Equity	145,496	147,579	153,963	159,036	157,591
Instruments Eligible to Capital	8,100	7,100	7,100	7,100	7,100
Prudential Adjustments	(33,330)	(32,323)	(32,260)	(33,119)	(29,190)
Additional Tier I Capital	28,174	30,868	29,350	28,640	21,266
<b>Tier II</b>	<b>20,536</b>	<b>20,536</b>	<b>20,536</b>	<b>17,602</b>	<b>17,602</b>
FCO Funding <sup>1</sup>	20,536	20,536	20,536	17,602	17,602
<b>Risk-Weighted Assets (RWA)</b>	<b>963,286</b>	<b>1,039,386</b>	<b>1,072,894</b>	<b>1,107,213</b>	<b>1,109,310</b>
Credit Risk (RWACPAD)	827,806	881,752	917,092	936,203	943,497
Market Risk (RWAMPAD)	20,327	28,807	26,975	26,099	20,902
Operational Risk (RWAOPAD)	115,153	128,827	128,827	144,910	144,910
<b>Tier I Capital Ratio (Tier I/RWA) - (%)<sup>2</sup></b>	<b>15.41</b>	<b>14.74</b>	<b>14.74</b>	<b>14.60</b>	<b>14.13</b>
<b>CET1 Ratio (CET1/RWA) - (%)<sup>2</sup></b>	<b>12.49</b>	<b>11.77</b>	<b>12.01</b>	<b>12.01</b>	<b>12.21</b>
<b>Capital Adequacy Ratio (RE/RWA) - (%)<sup>2</sup></b>	<b>17.54</b>	<b>16.72</b>	<b>16.65</b>	<b>16.19</b>	<b>15.72</b>

(1) In compliance to the provisions of Article 31 of CMN Resolution No. 4,955/2021, the FCO balances correspond to the application of the 70% limiter to the amount computed in Level II on June 30,2018.; (2) Values from the Operational Limits Statement (DLO – *Demonstrativo de Limites Operacionais*).



## Integrated Stress Test (IST)

Banco do Brasil has an Integrated Stress Test process with the objective of evaluating the impacts on the Bank's businesses, earnings and capital and providing relevant information for the formulation of its corporate strategy. The methodologies applied to the IST are periodically reviewed and approved by the Risk Management Directorship.

The current IST process considers the relevant risks identified by the Institution. The exercise is based on the application of macroeconomic scenarios produced by the Bank's economics area, with prospective shocks in macroeconomic variables over a 3-year period.

The IST allows the measurement of the effects of stress scenarios on the main risks, businesses, earnings, and capital. Given their relevance to the Bank's decision-making process, the results are periodically reported to BB's collegiate bodies and support the formulation of the Institution's corporate strategy and its capital management.

It is worth mentioning that the IST is included in the Stress Testing Program of Banco do Brasil and its results are also considered in the Capital Contingency Plan.

## Risk Weighted Asset – RWA

Figure 26. RWA Consumption – R\$ billion

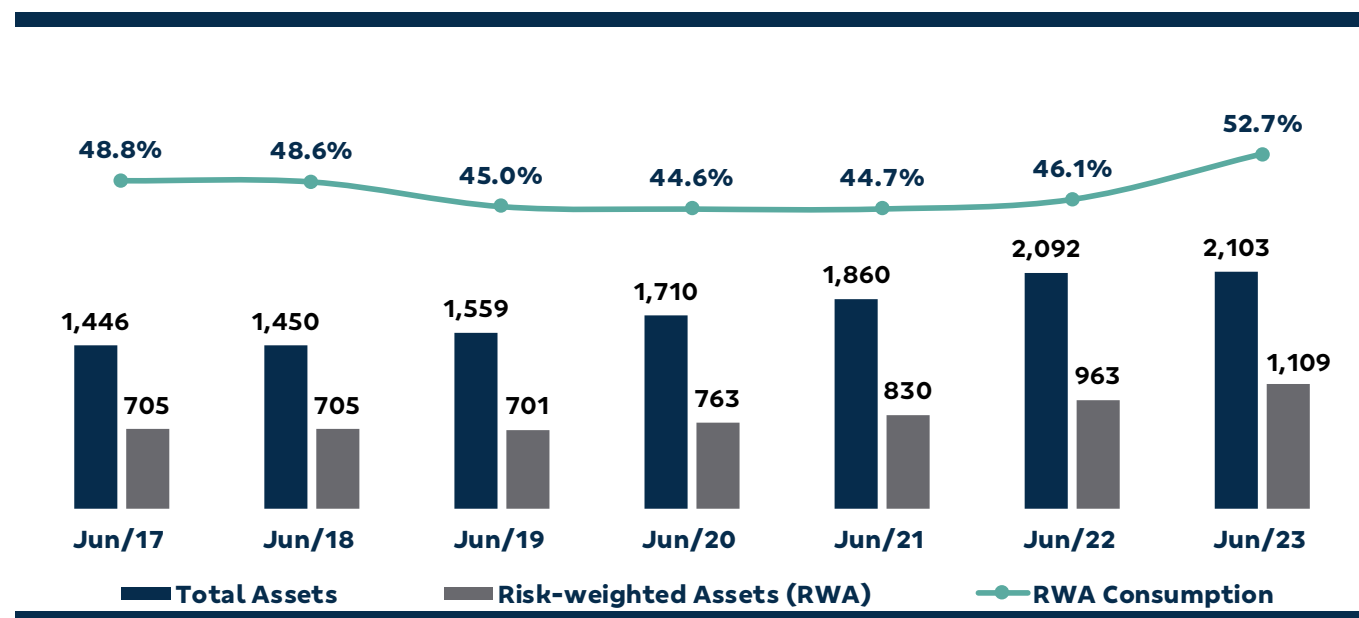




Figure 27. RWA Consumption - %



The following tables present the MRER breakdown correspondent to the RWA subject to credit, operational and market risk, through the standardized approach. The “F” factor is 8.0%. For RWACPAD, the weighting related to credit risk exposures, subject to the calculation of capital requirements under standardized approach is considered.

Table 50. MRER in Relation to RWA<sub>CPAD</sub> – R\$ million

	Jun/22			Mar/23			Jun/23		
	RWA <sub>CPAD</sub>	MRER	%	RWA <sub>CPAD</sub>	MRER	%	RWA <sub>CPAD</sub>	MRER	%
<b>Total</b>	<b>827,806</b>	<b>66,224</b>	<b>100.0</b>	<b>936,203</b>	<b>74,896</b>	<b>100.0</b>	<b>943,497</b>	<b>75,480</b>	<b>100.0</b>
Loan Operations	493,347	39,468	59.6	568,504	45,480	60.7	567,116	45,369	60.1
Securities and Derivatives	71,404	5,712	8.6	84,350	6,748	9.0	87,976	7,038	9.3
Other Credits	65,805	5,264	7.9	73,002	5,840	7.8	73,527	5,882	7.8
Tax Credits	63,221	5,058	7.6	58,401	4,672	6.2	61,158	4,893	6.5
Permanent Assets	40,030	3,202	4.8	50,544	4,044	5.4	50,391	4,031	5.3
Loans to release	25,660	2,053	3.1	32,745	2,620	3.5	33,497	2,680	3.6
Guarantees Provided	11,269	902	1.4	10,895	872	1.2	10,724	858	1.1
Inv. in Clearings Guarantee Funds	354	28	0.0	345	28	0.0	474	38	0.1
Other	56,716	4,537	6.9	57,418	4,593	6.1	58,634	4,691	6.2



Table 51. MRER in Relation to RWA<sub>OPAD</sub> – R\$ million

	Jun/22			Mar/23			Jun/23		
	RWA <sub>OPAD</sub>	MRER	%	RWA <sub>OPAD</sub>	MRER	%	RWA <sub>OPAD</sub>	MRER	%
<b>Total</b>	<b>115,153</b>	<b>9,212</b>	<b>71.8</b>	<b>144,910</b>	<b>11,593</b>	<b>64.7</b>	<b>144,910</b>	<b>11,593</b>	<b>64.7</b>
Trading and Sales	32,453	2,596	28.2	51,199	4,096	35.3	51,199	4,096	35.3
Commercial	37,744	3,020	32.8	44,892	3,591	31.0	44,892	3,591	31.0
Retail	18,396	1,472	16.0	20,680	1,654	14.3	20,680	1,654	14.3
Asset Management	12,618	1,009	11.0	13,957	1,117	9.6	13,957	1,117	9.6
Payments and Settlements	9,885	791	8.6	10,347	828	7.1	10,347	828	7.1
Corporate Finance	2,463	197	2.1	2,186	175	1.5	2,186	175	1.5
Financial Agent Services	1,515	121	1.3	1,575	126	1.1	1,575	126	1.1
Retail Brokerage	79	6	0.1	74	6	0.1	74	6	0.1

Table 52. MRER in Relation to RWA<sub>MPAD</sub> – R\$ million

	Jun/22			Mar/23			Jun/23		
	RWA <sub>MPAD</sub>	MRER	%	RWA <sub>MPAD</sub>	MRER	%	RWA <sub>MPAD</sub>	MRER	%
<b>Total</b>	<b>20,327</b>	<b>1,626</b>	<b>100.0</b>	<b>26,099</b>	<b>2,088</b>	<b>100.0</b>	<b>20,902</b>	<b>1,672</b>	<b>100.0</b>
FX	9,699	776	47.7	15,177	1,214	58.2	10,350	828	49.5
Interest Rate	8,408	673	41.4	8,768	701	33.6	8,473	678	40.5
Commodities	2,219	178	10.9	2,154	172	8.3	2,071	166	9.9
Shares	–	–	–	–	–	–	8	1	0.0

Table 53. RWA<sub>CPAD</sub> Segregated by Risk Weighting Factor (RWF) – R\$ million

	Loans		Tax Credits		Securities and Financial Derivatives		Other Receivables		Permanent Assets		Other		Total	
	RWA <sub>CPAD</sub> <sup>1</sup>	MRER <sup>2</sup>	RWA <sub>CPAD</sub> <sup>1</sup>	MRER <sup>2</sup>	RWA <sub>CPAD</sub> <sup>1</sup>	MRER <sup>2</sup>	RWA <sub>CPAD</sub> <sup>1</sup>	MRER <sup>2</sup>	RWA <sub>CPAD</sub> <sup>1</sup>	MRER <sup>2</sup>	RWA <sub>CPAD</sub> <sup>1</sup>	MRER <sup>2</sup>	RWA <sub>CPAD</sub> <sup>1</sup>	MRER <sup>2</sup>
<b>Total</b>	<b>567,116</b>	<b>45,369</b>	<b>61,158</b>	<b>4,893</b>	<b>87,976</b>	<b>7,038</b>	<b>73,527</b>	<b>5,882</b>	<b>50,391</b>	<b>4,031</b>	<b>103,329</b>	<b>8,266</b>	<b>943,497</b>	<b>75,480</b>
RWF 2%	–	–	–	–	52	4	–	–	–	–	68	5	120	10
RWF 20%	21	2	–	–	26	2	–	–	–	–	3,287	263	3,334	267
RWF 35%	14,397	1,152	–	–	–	–	–	–	–	–	–	–	14,397	1,152
RWF 50%	1,744	140	–	–	644	52	10,449	836	–	–	7,050	564	19,887	1,591
RWF 70%	10,138	811	–	–	–	–	–	–	–	–	–	–	10,138	811
RWF 75%	256,114	20,489	–	–	–	–	34,213	2,737	–	–	17,860	1,429	308,186	24,655
RWF 85%	68,779	5,502	–	–	36,595	2,928	1,497	120	–	–	27,422	2,194	134,293	10,743
RWF 100%	215,923	17,274	43,567	3,485	49,465	3,957	27,369	2,189	17,169	1,374	42,762	3,421	396,256	31,700
RWF 150%	–	–	–	–	739	59	–	–	–	–	2,262	181	3,001	240
RWF 250%	–	–	17,591	1,407	–	–	–	–	33,222	2,658	–	–	50,813	4,065
RWF 300%	–	–	–	–	–	–	–	–	–	–	–	–	–	–
RWF 1,250%	–	–	–	–	456	36	–	–	–	–	–	–	456	36
CVA <sup>3</sup>	–	–	–	–	–	–	–	–	–	–	2,618	209	2,618	209

(1) Sum of the exposures multiplied by the respective risk weighting factors, adjusted by the conversion factor; (2) Exposure weighted by the risk factor multiplied by 8.0%. (3) Credit Valuation Adjustment.





## 7.

# Loan

In June/23, Banco do Brasil's Expanded Loan Portfolio was R\$1.045 trillion, which includes, in addition to the Classified Portfolio, private securities and guarantees, corresponding to a quarterly growth of 1.2%.

In YoY comparison, the growth was 13.6%. In both comparison periods, positive performances were observed in all business segments.



The individuals expanded portfolio grew 0.6% QoQ and 10.0% YoY, mainly due to the positive performance in payroll loans (+2.0% QoQ and +9.3% YoY).

The companies expanded portfolio showed QoQ growth of 2.5% and 10.4% YoY. Highlight to the increase of working capital (+1.4% QoQ and +6.8%

YoY), investments (+7.2% QoQ and +8.1% YoY), and ACC/ACE (+10.5% QoQ and +24.8% YoY).

The agribusiness expanded portfolio was down 0.3% QoQ and up 22.7% YoY. The quarterly drop reflects the settlement of working capital operations, which occurs seasonally in the last quarter of the Crop Plan. In 12-month comparison, highlight for working capital (+30.6%) and investment operations (+46.8%).

**Table 54.** Loan Portfolio – Classified and Expanded – R\$ million

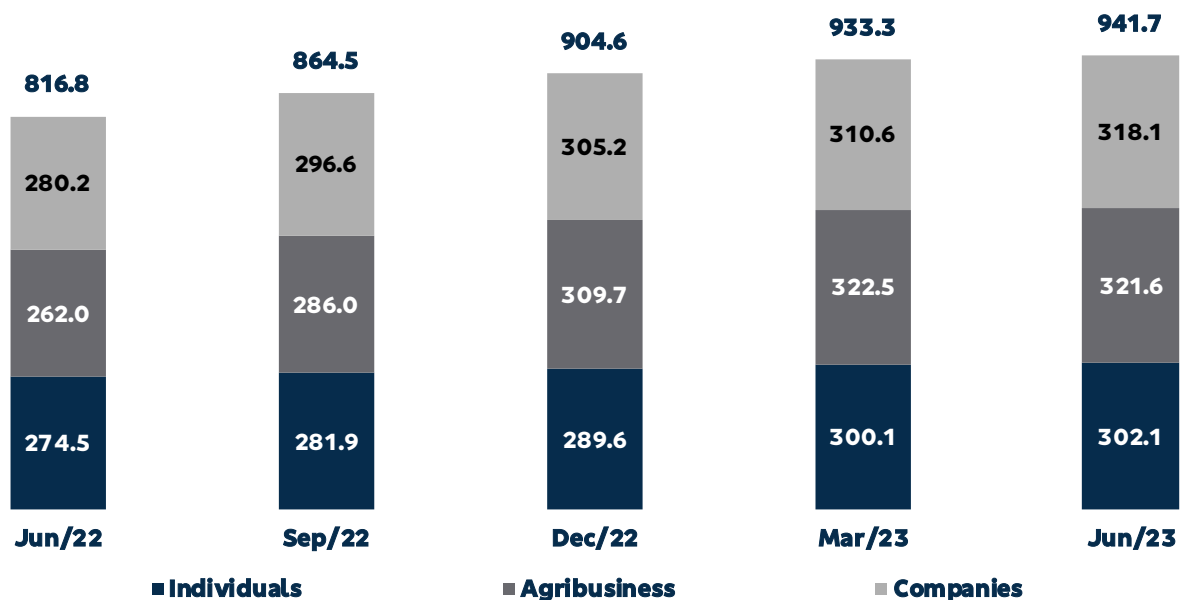
	Jun/22	Share %	Mar/23	Share %	Jun/23	Share %	Chg. %	
							Jun/22	Mar/23
<b>Classified Loan Portfolio (a)</b>	<b>813,468</b>	<b>100.0</b>	<b>915,170</b>	<b>100.0</b>	<b>921,558</b>	<b>100.0</b>	<b>13.3</b>	<b>0.7</b>
<b>Brazil</b>	<b>778,278</b>	<b>95.7</b>	<b>877,774</b>	<b>95.9</b>	<b>884,062</b>	<b>95.9</b>	<b>13.6</b>	<b>0.7</b>
Individuals	273,014	33.6	298,138	32.6	300,136	32.6	9.9	0.7
Companies	264,401	32.5	282,488	30.9	291,997	31.7	10.4	3.4
Corporate	112,126	13.8	115,622	12.6	121,760	13.2	8.6	5.3
SME	95,638	11.8	114,789	12.5	116,450	12.6	21.8	1.4
Government	56,637	7.0	52,077	5.7	53,787	5.8	(5.0)	3.3
Agribusiness	240,862	29.6	297,148	32.5	291,929	31.7	21.2	(1.8)
Individuals	227,409	28.0	283,444	31.0	277,611	30.1	22.1	(2.1)
Companies	13,453	1.7	13,704	1.5	14,317	1.6	6.4	4.5
<b>Abroad</b>	<b>35,190</b>	<b>4.3</b>	<b>37,397</b>	<b>4.1</b>	<b>37,496</b>	<b>4.1</b>	<b>6.6</b>	<b>0.3</b>
<b>Private Securities and Guarantees (b)</b>	<b>106,043</b>	<b>100.0</b>	<b>117,660</b>	<b>100.0</b>	<b>123,300</b>	<b>100.0</b>	<b>16.3</b>	<b>4.8</b>
<b>Expanded Loan Portfolio (a + b)</b>	<b>919,511</b>	<b>100.0</b>	<b>1,032,830</b>	<b>100.0</b>	<b>1,044,859</b>	<b>100.0</b>	<b>13.6</b>	<b>1.2</b>
<b>Brazil</b>	<b>873,394</b>	<b>95.0</b>	<b>985,357</b>	<b>95.4</b>	<b>995,532</b>	<b>95.3</b>	<b>14.0</b>	<b>1.0</b>
Individuals	274,516	29.9	300,120	29.1	302,052	28.9	10.0	0.6
Companies	336,836	36.6	362,726	35.1	371,874	35.6	10.4	2.5
Agribusiness	262,042	28.5	322,511	31.2	321,606	30.8	22.7	(0.3)
<b>Abroad</b>	<b>46,117</b>	<b>5.0</b>	<b>47,474</b>	<b>4.6</b>	<b>49,326</b>	<b>4.7</b>	<b>7.0</b>	<b>3.9</b>
<b>BB Market Share - %</b>	<b>15.7</b>		<b>16.4</b>		<b>16.4</b>			

(1) Series revised in March/23 for private securities and guarantees and expanded companies loan portfolio.



The next figure presents the view of the expanded portfolio of Individuals, companies, and agribusiness, according to the guidance for 2023.

Figure 28. Portfolio According to Guidance – R\$ billion

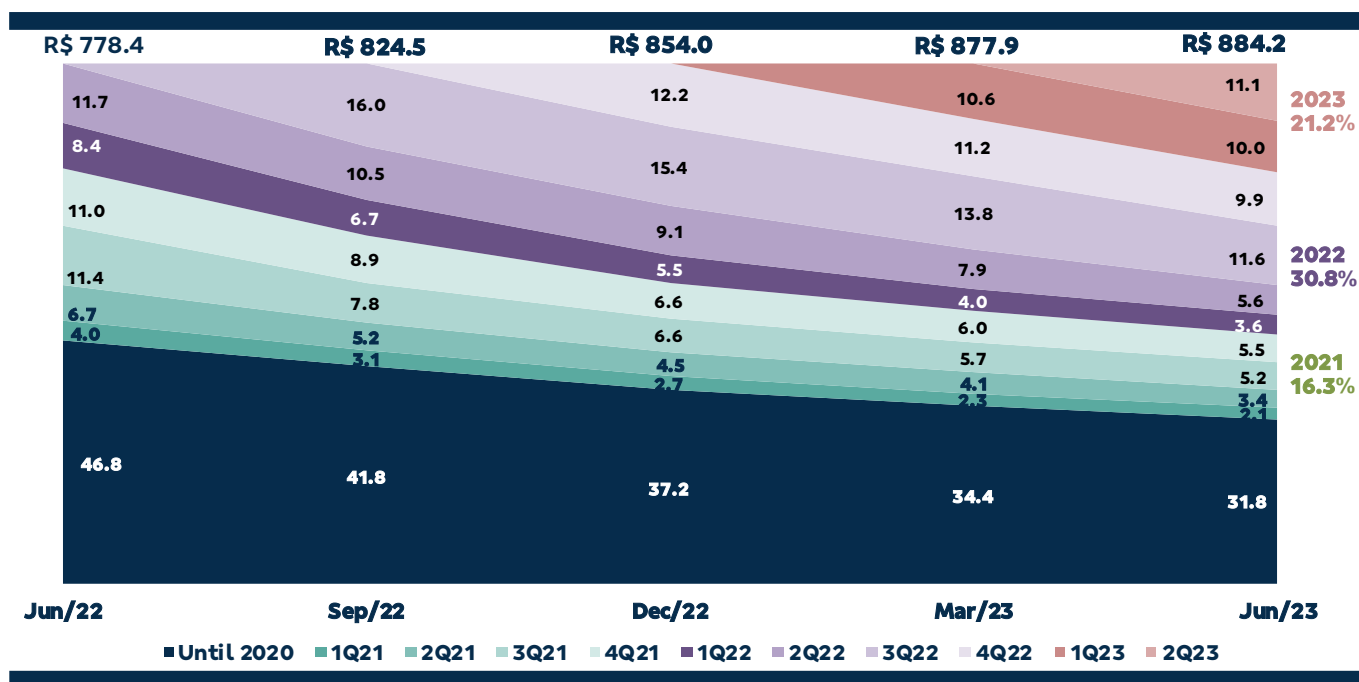




The following figure shows the domestic classified loan portfolio considering the contracting period. In some cases, there is the possibility of disbursement occurring in installments. In these cases, all the installments are considered in the period they were contracted.

Considering the portfolio in June/23, 68.2% of the assets were contracted in 2021 and 2023. Assets contracted in 2014 and prior years represent just 10.1%.

Figure 29. BB's Classified Loan Portfolio in Brazil by Contracted Period - %





The following tables shows the concentration level of the portfolio with customers and business groups with which Banco do Brasil has relations.

**Table 55.** 100 Largest Customers in Relation to the Classified Loan Portfolio and RE– R\$ million

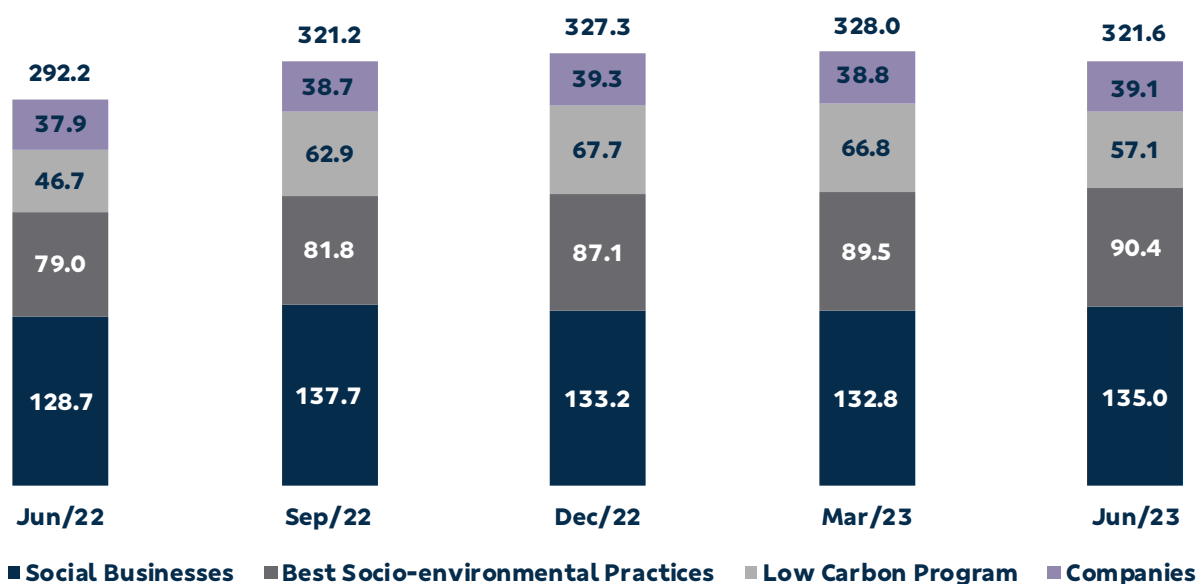
	Jun/22	Mar/23	Jun/23	Share on Jun/23 - %	
				Loan Portfolio <sup>1</sup>	Reference Equity <sup>2</sup>
<b>1st Customer</b>	<b>10,712</b>	<b>10,134</b>	<b>8,985</b>	<b>1.0</b>	<b>5.2</b>
2nd to 20th	63,517	63,577	63,280	6.9	36.3
21st to 100th	53,015	52,249	56,261	6.1	32.3
<b>Top 100 Largest</b>	<b>127,244</b>	<b>125,960</b>	<b>128,526</b>	<b>13.9</b>	<b>73.7</b>

(1) Classified Loan Portfolio.; (2) Referential Equity.

BB’s sustainable business portfolio comprises the amount of loans operations intended to finance activities and segments with positive socioenvironmental impacts.

In June/23, the portfolio presented a balance of R\$321.6 billion, up 10.0% YoY, corresponding to 34.9% of the classified loan portfolio.

**Figure 30.** Sustainable Business Portfolio – R\$ billion



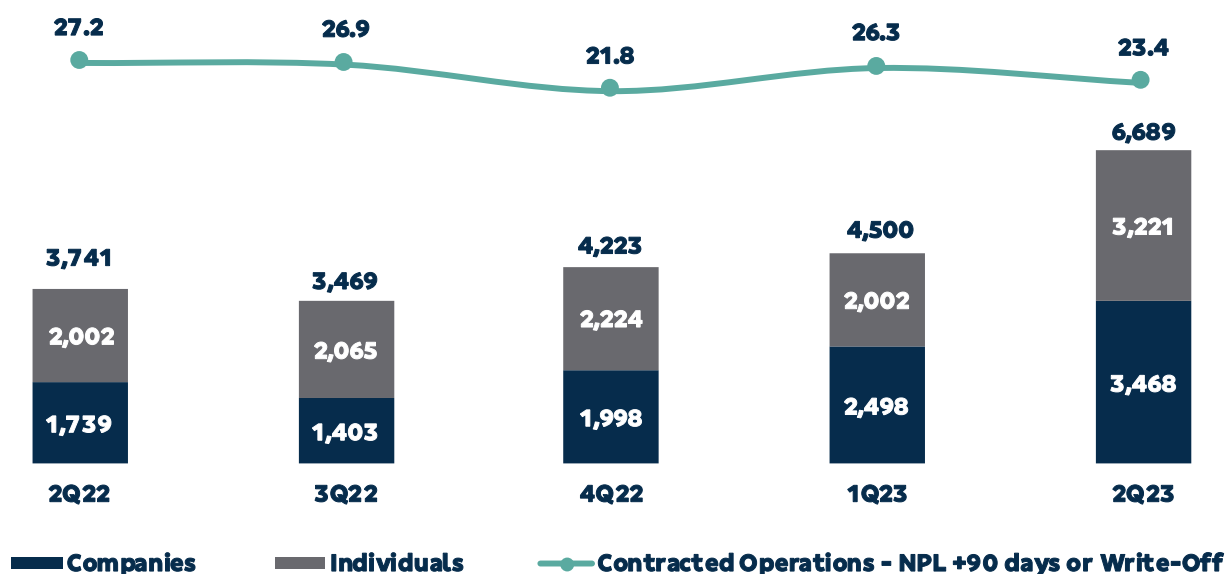


## Credits Renegotiated When Past Due

The credits renegotiated when past due are operations renegotiated during the period due to payment delay. The renegotiated portfolio does not include the rollover transactions of the agribusiness portfolio.

Banco do Brasil works in a preventive way in order to readjust the customers' portfolio to their ability to pay. Below is observed that 23.4% of the total contracted renegotiated operations were overdue for more than 90 days or in losses.

Figure 31. Credits Renegotiated When Past Due Disbursement – Multiple Bank<sup>1</sup>– R\$ million



(1) According to Financial Statements Note 12.i.



The balance of the renegotiated portfolio was R\$34.1 billion, up 8.7% QoQ. The coverage of this portfolio was 388.4%.

In 1Q23, the corporate changes in the shareholding control of a specific client in the Large Corporate segment – agro-industrial segment, which had a court-supervised reorganization process approved in 2019, led to a change in the debt profile. The negotiation involved the settlement of a bank credit operation in the amount of R\$2,546 billion, concomitantly with the issuance of debentures in the same amount. Exposure to this specific client was in the Corporate portfolio (Companies), in the renegotiated credit line, with full provision (Risk H) and in a non-defaulting situation. With the settlement of the credit operation, the provisioned amount was withdrawn, impacting the coverage of the portfolios.

**Table 56.** Credits Renegotiated When Past Due Balance – Multiple Bank<sup>1</sup> – R\$ million

	2Q22	3Q22	4Q22	1Q23	2Q23	Chg. %	
						2Q22	1Q23
<b>Initial Balance</b>	<b>29,345</b>	<b>29,944</b>	<b>31,173</b>	<b>32,690</b>	<b>31,380</b>	<b>6.9</b>	<b>(4.0)</b>
<b>New Transactions</b>	<b>3,741</b>	<b>3,469</b>	<b>4,223</b>	<b>4,500</b>	<b>6,689</b>	<b>78.8</b>	<b>48.6</b>
No delay (from 0 to 14 days past due)	1,637	1,493	2,429	2,155	3,004	83.5	39.4
From 15 to 90 days past due	1,085	1,043	873	1,163	2,123	95.7	82.5
NPL + 90 days	471	469	491	605	1,135	140.9	87.5
Write-off credits	548	464	429	577	428	(21.9)	(25.8)
<b>Amortization Net of Interest<sup>2</sup></b>	<b>(2,039)</b>	<b>(1,775)</b>	<b>(1,894)</b>	<b>(4,934)</b>	<b>(2,829)</b>	<b>38.8</b>	<b>(42.7)</b>
<b>Write-Off</b>	<b>(1,103)</b>	<b>(465)</b>	<b>(812)</b>	<b>(876)</b>	<b>(1,121)</b>	<b>1.6</b>	<b>28.0</b>
<b>Credit Renegotiated When Past Due (a)</b>	<b>29,944</b>	<b>31,173</b>	<b>32,690</b>	<b>31,380</b>	<b>34,118</b>	<b>13.9</b>	<b>8.7</b>
<b>ALLL Balance (b)</b>	<b>16,343</b>	<b>16,801</b>	<b>17,619</b>	<b>16,136</b>	<b>17,242</b>	<b>5.5</b>	<b>6.9</b>
<b>NPL + 90 days (c)</b>	<b>2,116</b>	<b>3,070</b>	<b>3,459</b>	<b>4,160</b>	<b>4,439</b>	<b>109.8</b>	<b>6.7</b>

**Indicators – %**

<b>ALLL/Loan Portfolio (b/a)</b>	<b>54.6</b>	<b>53.9</b>	<b>53.9</b>	<b>51.4</b>	<b>50.5</b>
<b>NPL + 90 days/Loan Portfolio</b>	<b>7.1</b>	<b>9.8</b>	<b>10.6</b>	<b>13.3</b>	<b>13.0</b>
<b>ALLL Balance/NPL + 90 days - %</b>	<b>772.5</b>	<b>547.3</b>	<b>509.4</b>	<b>387.9</b>	<b>388.4</b>
<b>Credits Renegotiated/Classified Portf.</b>	<b>3.7</b>	<b>3.6</b>	<b>3.7</b>	<b>3.4</b>	<b>3.7</b>

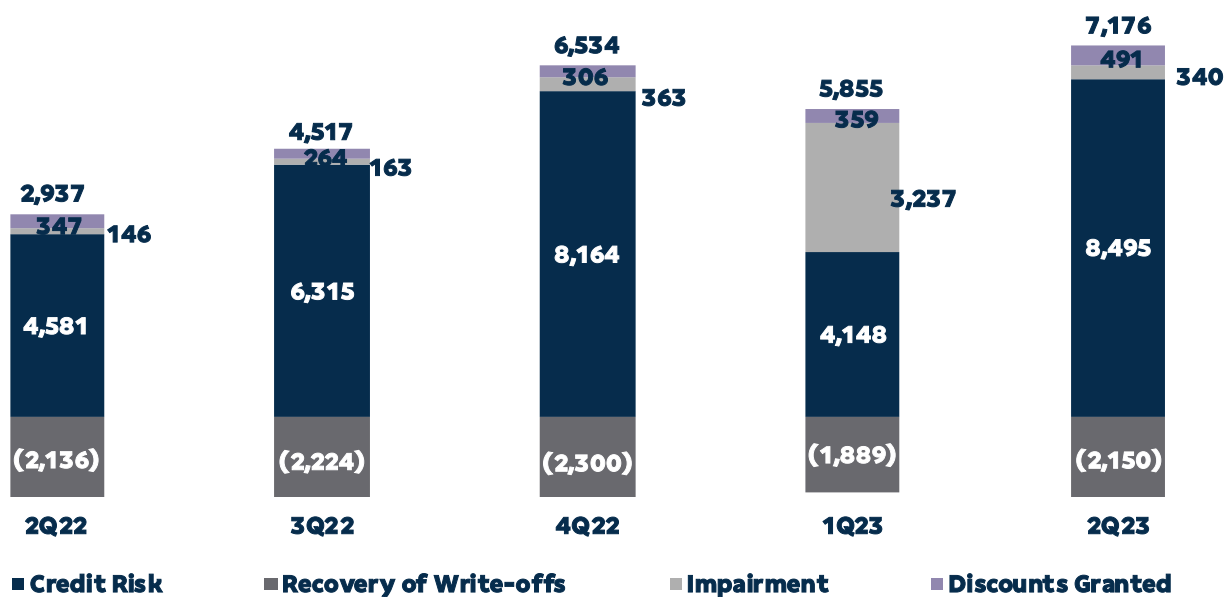
(1) According to Financial Statements Note 12.i; (2) Principal payments and interest payment net, including extended operations in the period.



# Risk of Credit

Expanded ALLL was R\$ 7.2 billion in 2Q23, up 22.6% QoQ and up 144.3% YoY.

Figure 32. Expanded ALLL– R\$ million







**Recovery of Write-Offs:** Up 13.8% QoQ and up 0.6% YoY, due to the good business performance.

**Credit Risk:** 104.8% increase compared to the previous quarter and 85.5% increase compared to 2Q22.

In 1Q23, there was a change in the debt profile of a specific client in the large corporate segment, with the deconstitution of provision (R\$2,546 million), with the concomitant recognition of an impairment loss resulting from the change in the debt profile (from loans to securities), a fact that impacts part of the comparison with 2Q23. Also, in the quarter, there was an additional provision for a company in the large corporate segment that filed for a court-supervised reorganization process judicial recovery in January 2023, moving from risk F (50%) to risk G (70%), with an impact of R\$338.8 million. In the individual portfolio, there was a non-payroll lines risk worsening.

**Impairment:** Down 89.5% QoQ and up 132.5% YoY.

The drop in the quarterly comparison is explained by the change in the debt profile, mentioned in the Credit Risk topic.

**Discounts Granted:** Up 36.9% QoQ and up 41.6% YoY, due to the renegotiation campaign in 2Q23.



## Credit Risk

The credit risk expenses was R\$8.5 billion in 2Q23, up 85.5% QoQ and up 104.8% YoY.

In 1Q23, there was a change in the debt profile of a specific client in the large corporate segment, with the deconstitution of provision (R\$2,546 million), with the concomitant recognition of an impairment loss resulting from the change in the debt profile (from loans to securities), a fact that impacts part of the comparison with 2Q23. Also, in the quarter, there was an additional provision for a company in the large corporate segment that filed for a court-supervised reorganization process judicial recovery in January 2023, moving from risk F (50%) to risk G (70%), with an impact of R\$338.8 million. In the individual portfolio, there was a non-payroll lines risk worsening.

**Table 57.** Credit Risk – R\$ million

	2Q22	3Q22	4Q22	1Q23	2Q23	Chg. %	
						2Q22	1Q23
<b>Credit Risk</b>	<b>(4,581)</b>	<b>(6,315)</b>	<b>(8,164)</b>	<b>(4,148)</b>	<b>(8,495)</b>	<b>85.5</b>	<b>104.8</b>
<b>Risk Deterioration</b>	<b>(7,094)</b>	<b>(7,578)</b>	<b>(9,216)</b>	<b>(8,738)</b>	<b>(9,711)</b>	<b>36.9</b>	<b>11.1</b>
Individuals	(5,091)	(5,110)	(5,093)	(5,255)	(5,816)	14.2	10.7
Companies	(1,225)	(1,625)	(2,922)	(2,238)	(2,610)	113.0	16.6
Agribusiness	(778)	(844)	(1,202)	(1,245)	(1,286)	65.2	3.3
<b>Risk Improvement</b>	<b>4,128</b>	<b>2,865</b>	<b>2,669</b>	<b>3,741</b>	<b>2,636</b>	<b>(36.1)</b>	<b>(29.5)</b>
Individuals	1,740	1,094	1,421	2,518	1,675	(3.8)	(33.5)
Companies	1,958	1,342	584	510	396	(79.8)	(22.3)
Agribusiness	429	429	664	713	566	31.7	(20.6)
<b>New Transactions</b>	<b>(1,437)</b>	<b>(1,635)</b>	<b>(1,506)</b>	<b>(1,661)</b>	<b>(1,418)</b>	<b>(1.4)</b>	<b>(14.6)</b>
Individuals	(804)	(833)	(807)	(732)	(693)	(13.8)	(5.3)
Companies	(481)	(582)	(566)	(847)	(594)	23.5	(29.9)
Agribusiness	(152)	(220)	(133)	(82)	(131)	(14.0)	58.9
<b>Other<sup>1</sup></b>	<b>(177)</b>	<b>33</b>	<b>(111)</b>	<b>2,510</b>	<b>(3)</b>	<b>(98.4)</b>	<b>-</b>

(1) Other is the abroad loan portfolio credit risk flow and other impacts (amortization, settlement, release of installments and charge debt of other segments). Includes, in 1Q23, the amount regarding the debt reprofiling of a large corporate segment client, in a court-supervised reorganization process since 2019.



Table 58. Classified Loan Portfolio by Risk Level – %

	Jun/22			Mar/23			Jun/23		
	Balance	Provision	Share (%)	Balance	Provision	Share (%)	Balance	Provision	Share (%)
AA	378,981	–	46.6	485,138	–	53.0	534,984	–	58.1
A	107,594	593	13.2	124,756	674	13.6	116,968	623	12.7
B	179,001	2,522	22.0	159,745	2,184	17.5	110,442	1,457	12.0
C	83,870	4,686	10.3	77,628	4,506	8.5	87,111	5,099	9.5
D	20,078	2,485	2.5	16,427	2,000	1.8	18,571	2,241	2.0
E	9,975	2,993	1.2	10,532	3,160	1.2	10,641	3,192	1.2
F	3,961	1,980	0.5	7,264	3,656	0.8	5,952	3,000	0.6
G	4,108	2,942	0.5	4,012	2,808	0.4	6,090	4,263	0.7
H	25,900	25,900	3.2	29,668	29,668	3.2	30,801	30,801	3.3
<b>Total</b>	<b>813,468</b>	<b>44,101</b>	<b>100.0</b>	<b>915,170</b>	<b>48,655</b>	<b>100.0</b>	<b>921,558</b>	<b>50,675</b>	<b>100.0</b>
<b>AA-C</b>	<b>749,446</b>	<b>7,801</b>	<b>92.1</b>	<b>847,268</b>	<b>7,364</b>	<b>92.6</b>	<b>849,504</b>	<b>7,179</b>	<b>92.2</b>
<b>D-H</b>	<b>64,022</b>	<b>36,300</b>	<b>7.9</b>	<b>67,903</b>	<b>41,291</b>	<b>7.4</b>	<b>72,054</b>	<b>43,496</b>	<b>7.8</b>

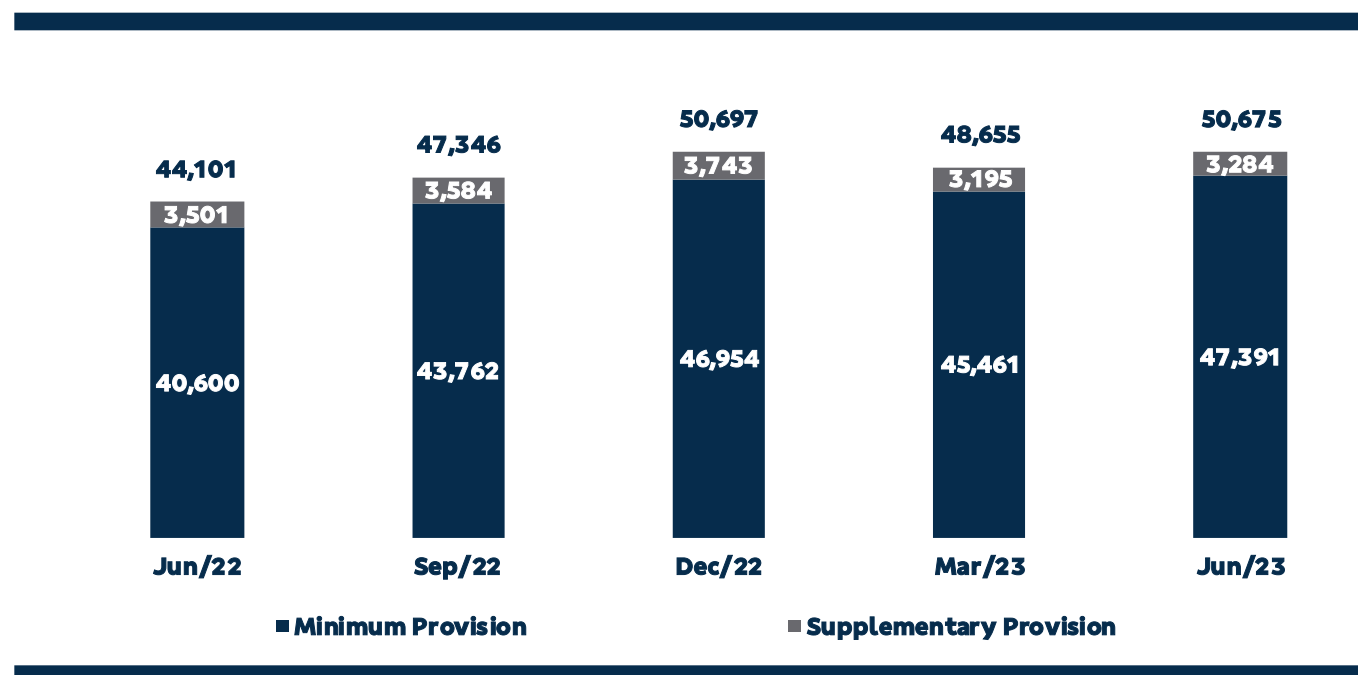
The next figure shows the Allowance for Loan and Lease Losses – ALLL, detailing the minimum provision, which is the provision corresponding to the nine risk levels (AA to H) pursuant to CMN Resolution 2,682/99, the



supplementary provision, which corresponds to the provision of the 30 intermediary levels established by BB's Management, and the required provision, which corresponds to the sum of the previous ones.

The balance of loan provisions was R\$50.7 billion in June/23, up 14.9% YoY.

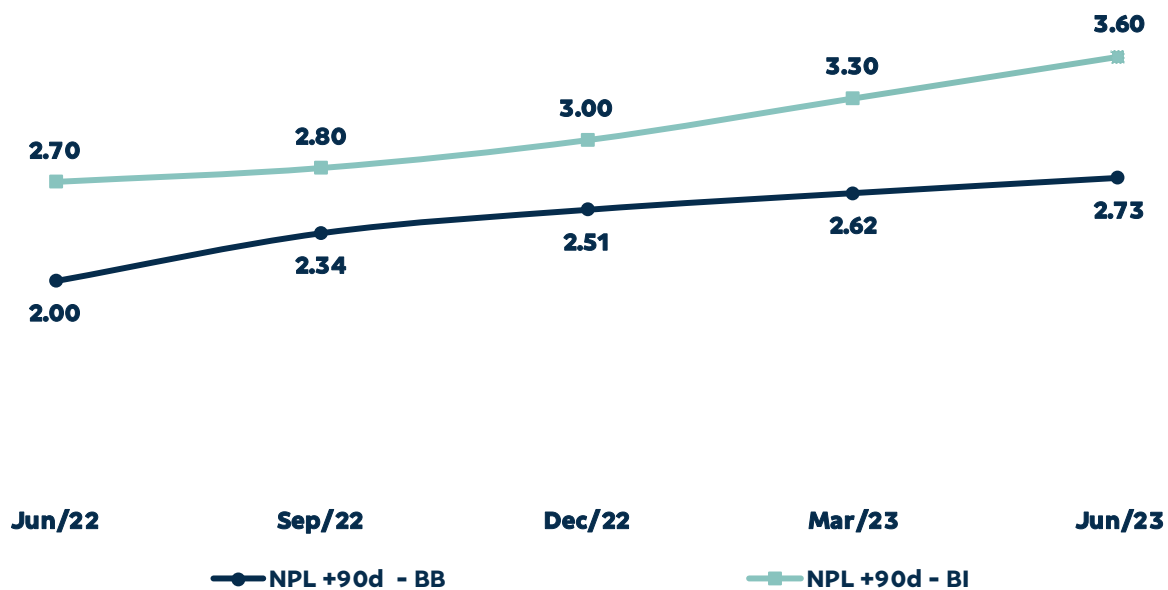
Figure 33. ALLL – Classified Loan Portfolio – R\$ million





The NPL +90d (ratio between transactions overdue for more than 90 days and the classified loan portfolio balance), showed quarterly increase, reaching 2.73%, below the Brazilian Banking Industry. In the quarter, part of the credit operations with the specific customer of the large corporate segment that filed for judicial recovery in January 2023 started to impact the delinquency indicator above 90 days. Without this impact, Banco do Brasil's NPL+90d would have been 2.65%.

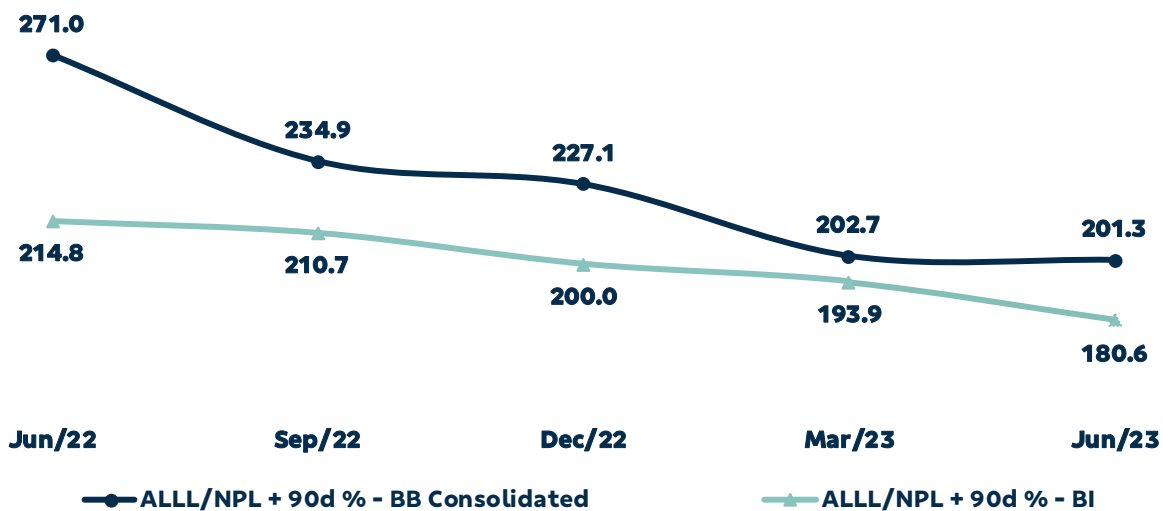
Figure 34. NPL +90d – As % of the Classified Loan Portfolio





BB's coverage ratio was 201.3%, remaining above the BI.

Figure 35. Classified Loan Portfolio Coverage Index

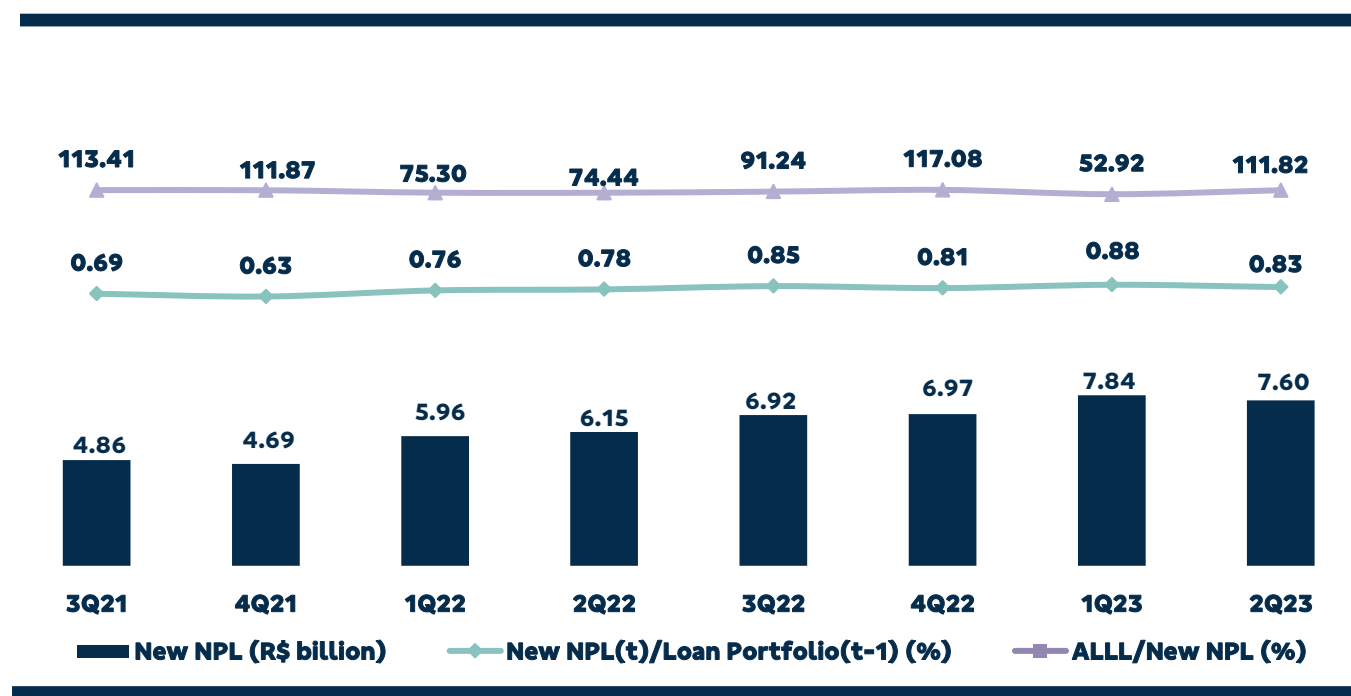




The New NPL/Loan Portfolio index is calculated by the ratio between: (i) the quarterly change of the operations overdue for more than 90 days balance plus the quarterly write-off, and (ii) the classified loan portfolio balance of the previous quarter.

In 2Q23, NPL decreased, ending the period at R\$7.6 billion with a coverage of 111.82%.

Figure 36. New NPL – % on the Classified Loan Portfolio



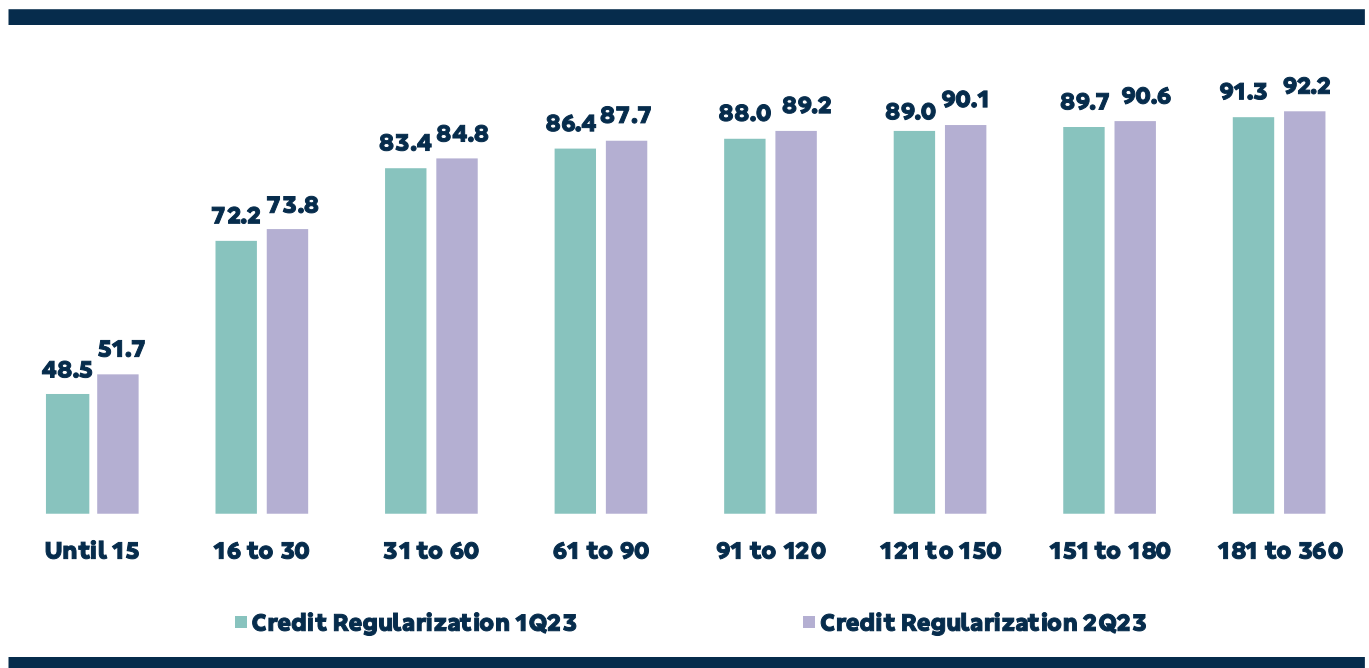


## Credit Regularization

BB prioritizes collecting past due operations as soon as possible, and even acting preventively to avoid worsening the risk and new write-offs. Of the volume

of credit that entered the collection process in the last 12 months prior to June/23, 92.2% were settled within 360 days.

Figure 37. Credit Regularization Rate Over Collection Period - %

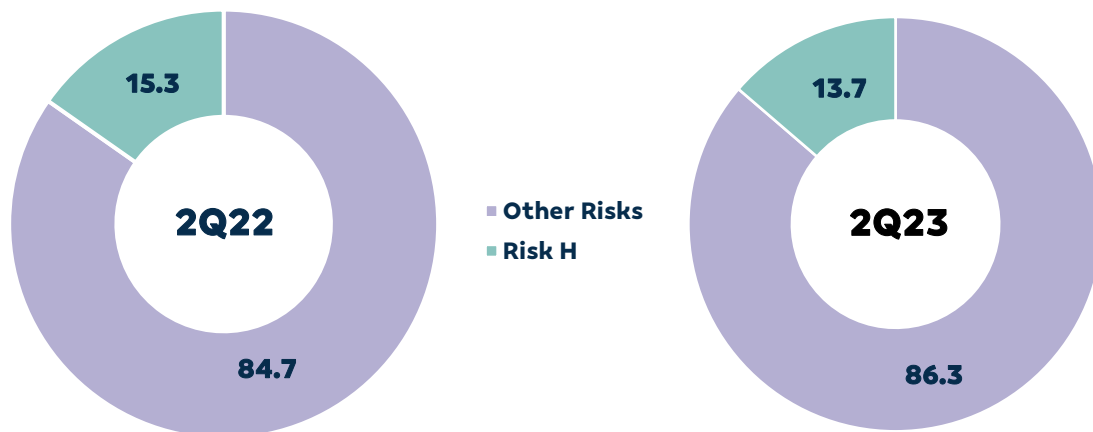






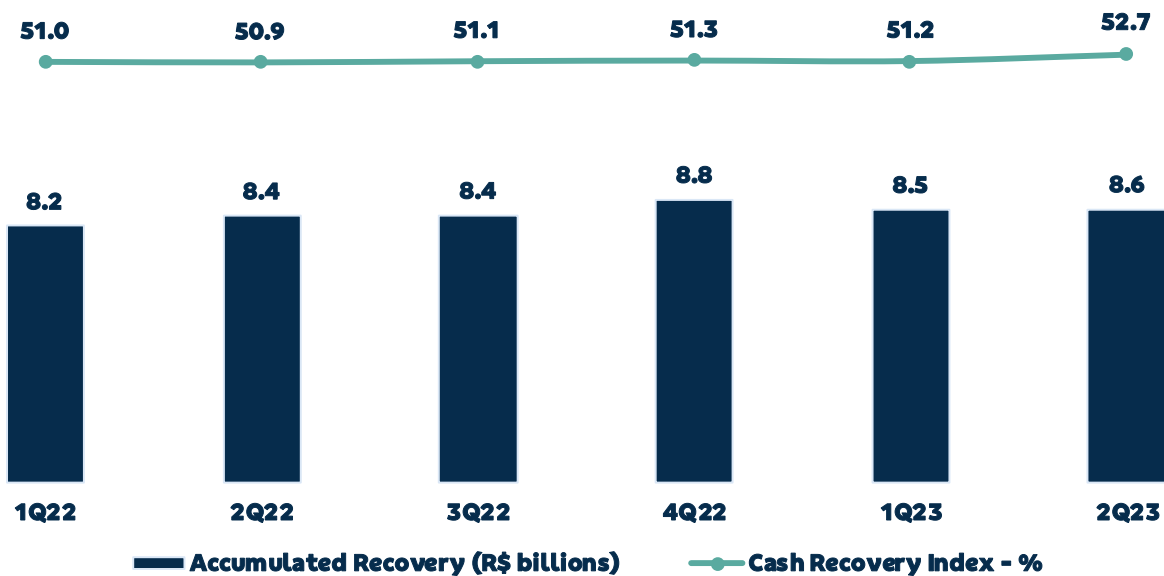
In the last 12 months, past due loans collected and received classified at risk H represented 13.7% of the total collected. The other 86.3% were collected and settled while they were at better risk levels.

Figure 38. Collection and Regularization before Write Off (Accumulated 12 months) – %



In the last 12 months R\$8.6 billion were recovered, of which R\$4.5 billion (52.7%) was received in cash.

Figure 39. Accumulated Recovery (R\$ billions) and Cash Recovery Index – %





# Individuals Loan Portfolio

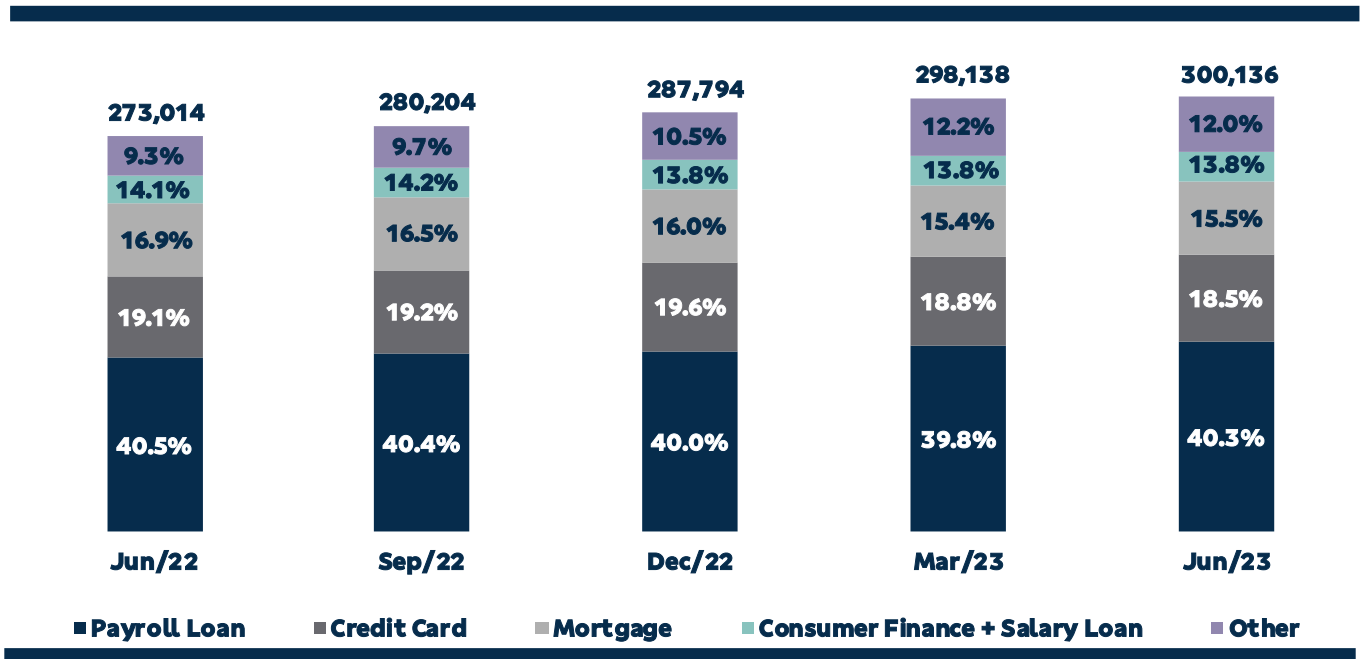
The expanded individuals portfolio grew 0.6% QoQ and 10.0% YoY, mainly due to the positive performance in payroll loans (+2.0% QoQ and +9.3% YoY).

Table 59. Individuals Loan Portfolio – R\$ million

	Jun/22	Share %	Mar/23	Share %	Jun/23	Share %	Chg. %	
							Jun/22	Mar/23
<b>Organic Classified Loan Portf. (a)</b>	<b>268,575</b>	<b>97.8</b>	<b>285,732</b>	<b>95.2</b>	<b>289,554</b>	<b>95.9</b>	<b>7.8</b>	<b>1.3</b>
<b>Direct Consumer Credit</b>	<b>149,202</b>	<b>54.4</b>	<b>159,720</b>	<b>53.2</b>	<b>162,408</b>	<b>53.8</b>	<b>8.9</b>	<b>1.7</b>
Payroll Loan	110,646	40.3	118,600	39.5	120,979	40.1	9.3	2.0
Salary Loan	20,988	7.6	21,932	7.3	22,412	7.4	6.8	2.2
Consumer Finance	17,569	6.4	19,188	6.4	19,017	6.3	8.2	(0.9)
<b>Mortgage</b>	<b>46,252</b>	<b>16.8</b>	<b>46,011</b>	<b>15.3</b>	<b>46,425</b>	<b>15.4</b>	<b>0.4</b>	<b>0.9</b>
<b>Credit Card</b>	<b>52,111</b>	<b>19.0</b>	<b>56,178</b>	<b>18.7</b>	<b>55,389</b>	<b>18.3</b>	<b>6.3</b>	<b>(1.4)</b>
<b>Renegotiated Loan</b>	<b>13,294</b>	<b>4.8</b>	<b>15,639</b>	<b>5.2</b>	<b>16,874</b>	<b>5.6</b>	<b>26.9</b>	<b>7.9</b>
Individuals	9,099	3.3	11,429	3.8	12,615	4.2	38.6	10.4
Rural Producer	4,195	1.5	4,210	1.4	4,259	1.4	1.5	1.2
<b>Auto Loan</b>	<b>4,524</b>	<b>1.6</b>	<b>4,454</b>	<b>1.5</b>	<b>4,565</b>	<b>1.5</b>	<b>0.9</b>	<b>2.5</b>
<b>Overdraft Account</b>	<b>2,022</b>	<b>0.7</b>	<b>2,381</b>	<b>0.8</b>	<b>2,452</b>	<b>0.8</b>	<b>21.3</b>	<b>3.0</b>
<b>Microcredit</b>	<b>251</b>	<b>0.1</b>	<b>262</b>	<b>0.1</b>	<b>257</b>	<b>0.1</b>	<b>2.0</b>	<b>(1.9)</b>
<b>Other</b>	<b>919</b>	<b>0.3</b>	<b>1,088</b>	<b>0.4</b>	<b>1,185</b>	<b>0.4</b>	<b>28.9</b>	<b>8.9</b>
<b>Acquired Loan Portfolio (b)</b>	<b>4,440</b>	<b>1.6</b>	<b>12,406</b>	<b>4.1</b>	<b>10,582</b>	<b>3.5</b>	<b>138.4</b>	<b>(14.7)</b>
Auto Loan	4,440	1.6	12,406	4.1	10,582	3.5	138.4	(14.7)
<b>Classified Loan Portfolio (a+b)</b>	<b>273,014</b>	<b>99.5</b>	<b>298,138</b>	<b>99.3</b>	<b>300,136</b>	<b>99.4</b>	<b>9.9</b>	<b>0.7</b>
<b>Private Sec. and Guarantees (c)</b>	<b>1,501</b>	<b>0.5</b>	<b>1,982</b>	<b>0.7</b>	<b>1,916</b>	<b>0.6</b>	<b>27.6</b>	<b>(3.3)</b>
<b>Expanded Loan Portfolio (a+b+c)</b>	<b>274,516</b>	<b>100.0</b>	<b>300,120</b>	<b>100.0</b>	<b>302,052</b>	<b>100.0</b>	<b>10.0</b>	<b>0.6</b>



Figure 40. Expanded Individuals Loan Portfolio Breakdown – R\$ million

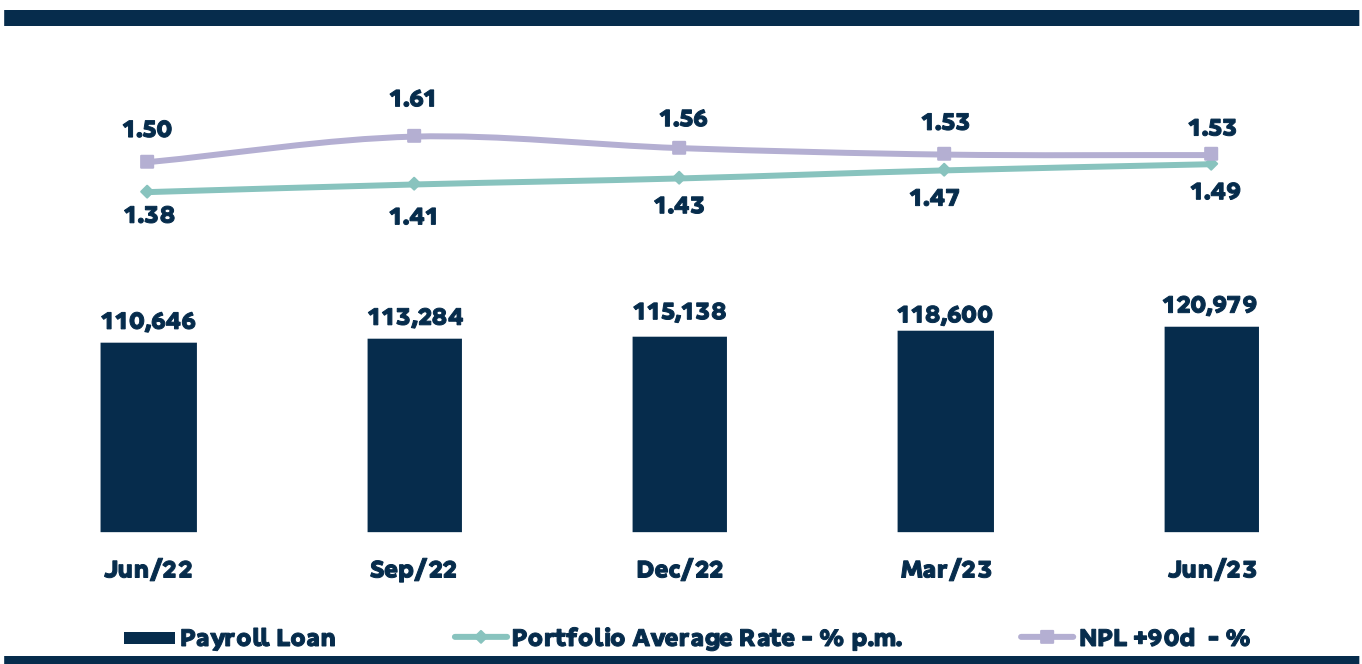


## Payroll Loan

The payroll loan portfolio, up 9.3% YoY, accounts for 97.6% of operations carried out with civil servants and retirees and pensioners customers.

The average maturity of payroll loan operations contracted with Banco do Brasil is 71 months.

Figure 41. Payroll Loans – R\$ million

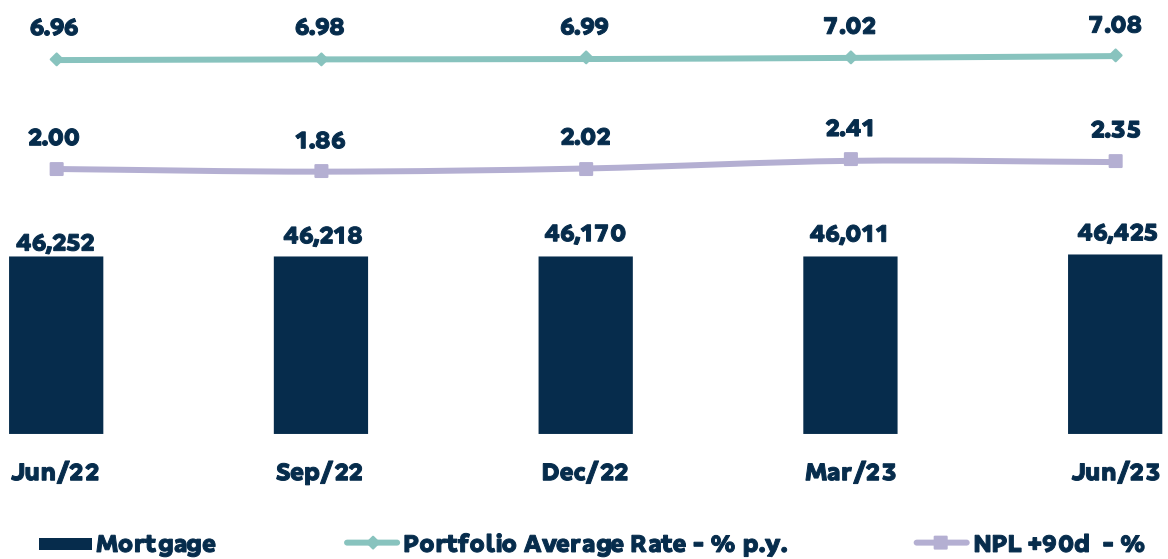




## Mortgage

The mortgage portfolio was R\$46.4 billion in June/23 (up 0.4% YoY) and the percentage financed 61.7% (Loan-to-Value - LTV). In the same period, the average maturity of the portfolio 316 months and the NPL +90d was 2.35%.

Figure 42. Mortgage – R\$ million





## Non-Payroll Loan

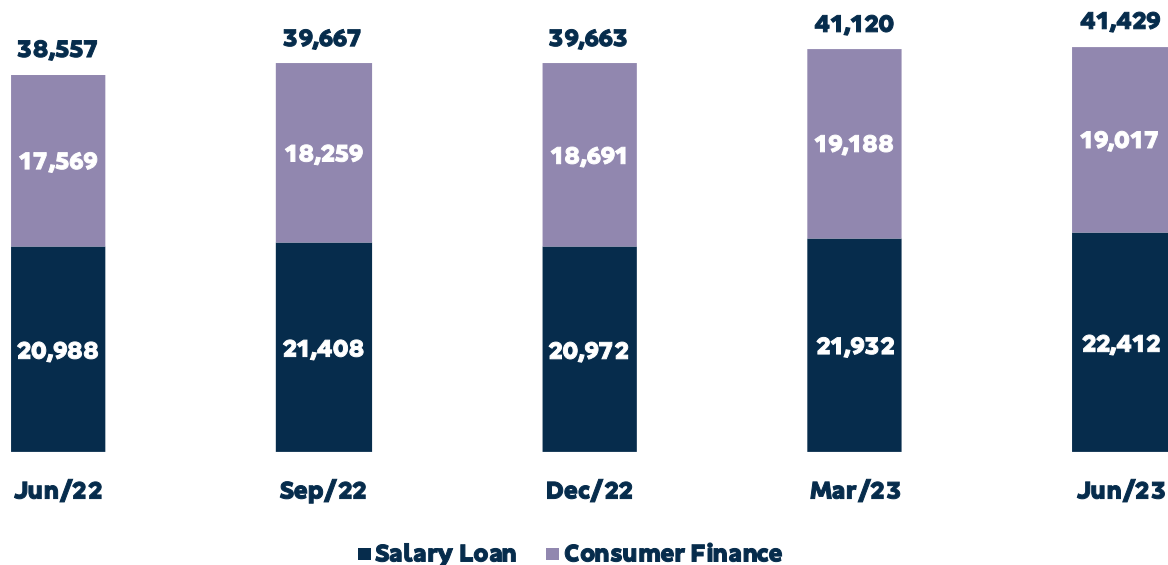
### Consumer Finance

The consumer finance portfolio was R\$19.0 billion in June/23, up 8.2% YoY. The growth in consumer finance is anchored in the strategic performance with client niches, such as liberal professionals.

### Salary Loan

The salary loan is the modality destined to customers who receive salaries in BB, conditioned to the existence of a payroll processing agreement between BB and the employer of the employee from a public or private company, and has an automated contracting flow.

Figure 43. Non-Payroll Loan – R\$ million

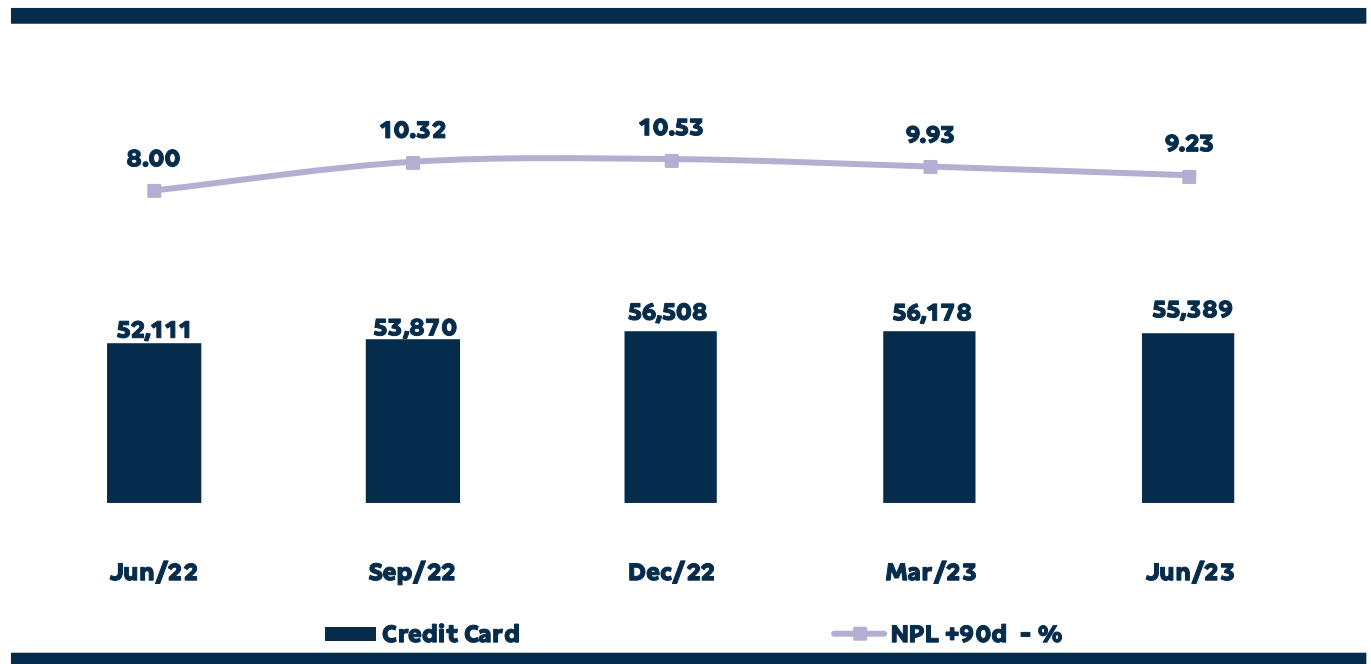




## Credit Card

Credit card operations grew by 6.3% YoY. The NPL +90d showed a decline in the quarterly comparison, reaching 9.23%, a reflection of the measures taken throughout 2022, which already allow for an improvement in the quality of the most recent vintages.

Figure 44. Credit Card – R\$ million





## Individuals Credit Risk

The following figure details the individuals loan portfolio by risk level. The balance of individuals loan provision was R\$25.4 billion in June/23.

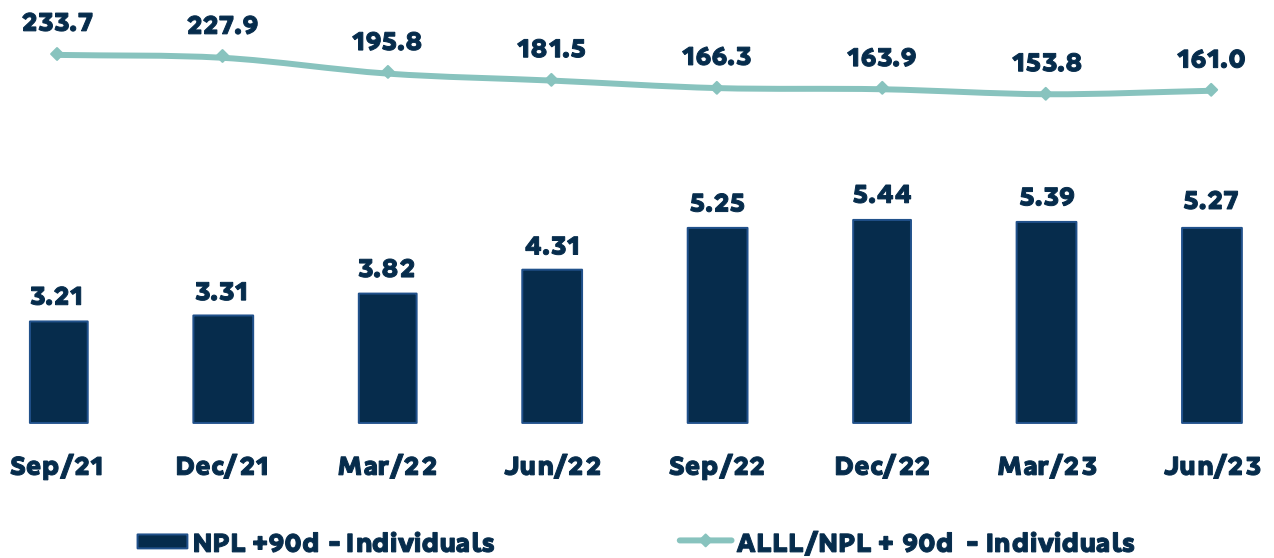
**Table 60.** Individuals Classified Loan Portfolio by Risk Level – %

	Jun/22			Mar/23			Jun/23		
	Balance	Provision	Share (%)	Balance	Provision	Share (%)	Balance	Provision	Share (%)
AA	40,594	–	14.9	57,177	–	19.2	110,917	–	37.0
A	45,541	259	16.7	69,059	380	23.2	57,646	310	19.2
B	98,441	1,483	36.1	92,446	1,314	31.0	42,137	576	14.0
C	53,194	2,837	19.5	42,837	2,214	14.4	50,232	2,671	16.7
D	15,538	1,966	5.7	12,006	1,502	4.0	13,609	1,686	4.5
E	4,433	1,330	1.6	4,840	1,452	1.6	4,685	1,405	1.6
F	2,288	1,144	0.8	2,462	1,231	0.8	2,605	1,302	0.9
G	2,156	1,509	0.8	2,276	1,593	0.8	2,710	1,897	0.9
H	10,830	10,830	4.0	15,036	15,036	5.0	15,596	15,596	5.2
<b>Total</b>	<b>273,014</b>	<b>21,358</b>	<b>100.0</b>	<b>298,138</b>	<b>24,722</b>	<b>100.0</b>	<b>300,136</b>	<b>25,444</b>	<b>100.0</b>
<b>AA-C</b>	<b>237,769</b>	<b>4,579</b>	<b>87.1</b>	<b>261,518</b>	<b>3,908</b>	<b>87.7</b>	<b>260,932</b>	<b>3,557</b>	<b>86.9</b>
<b>D-H</b>	<b>35,245</b>	<b>16,779</b>	<b>12.9</b>	<b>36,620</b>	<b>20,813</b>	<b>12.3</b>	<b>39,204</b>	<b>21,887</b>	<b>13.1</b>



The Individuals NPL +90d (ratio between transactions overdue for more than 90 days and the individuals classified loan portfolio balance), decreased 12 bps QoQ, reaching 5.27% in June/23. The coverage ratio was 161.0% in the same period.

Figure 45. Individuals NPL +90d and Classified Loan Portfolio Coverage Index – %

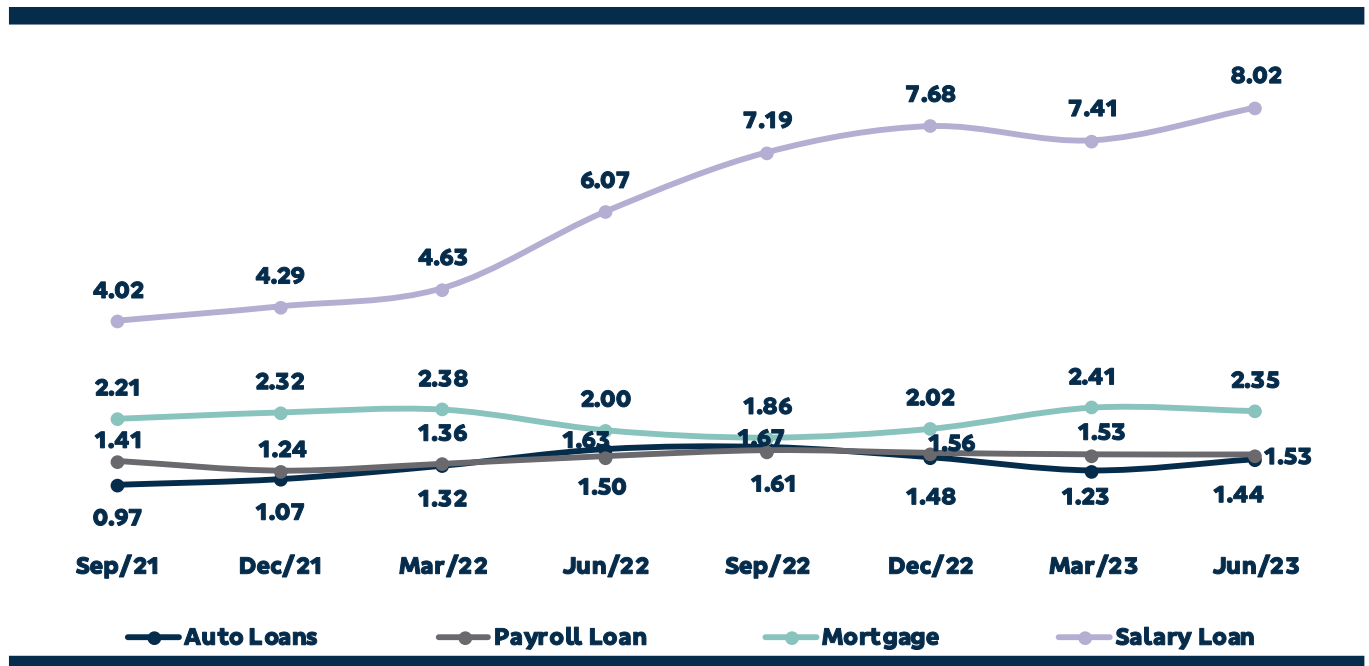






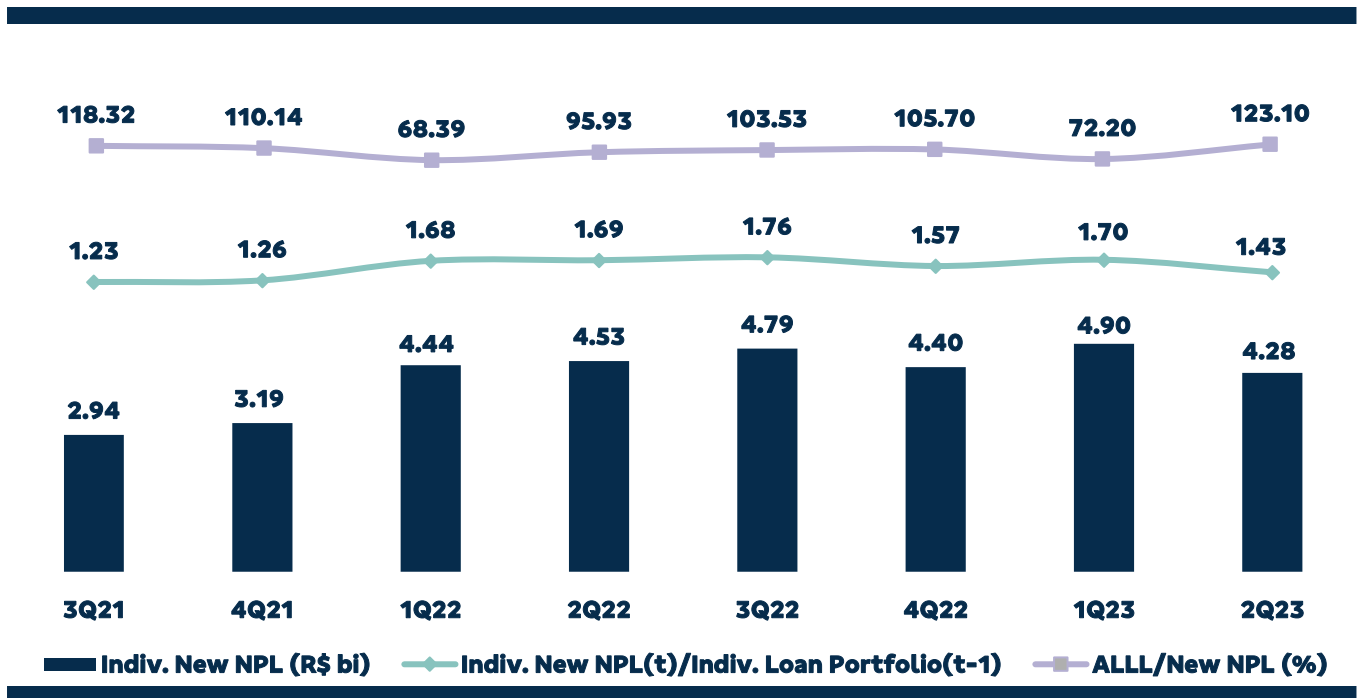
The following figure details the Individuals Loan Portfolio NPL +90d by credit line.

Figure 46. NPL +90d Individuals Portfolio – % by Credit Line



The next figure shows the individuals loan portfolio’s new NPL. The index closed at 1.43% over 1.70% presented in the previous quarter. New NPL coverage was 123.10%.

Figure 47. New NPL – Individuals Loan Portfolio





## Vintage

The following figure shows the individual's loan portfolio delinquency per vintages. This methodology provides greater detailing and is closer to the portfolio than traditional indicators, to evaluate how the delinquency of a set of operations contracted for in a particular period behaves over time.

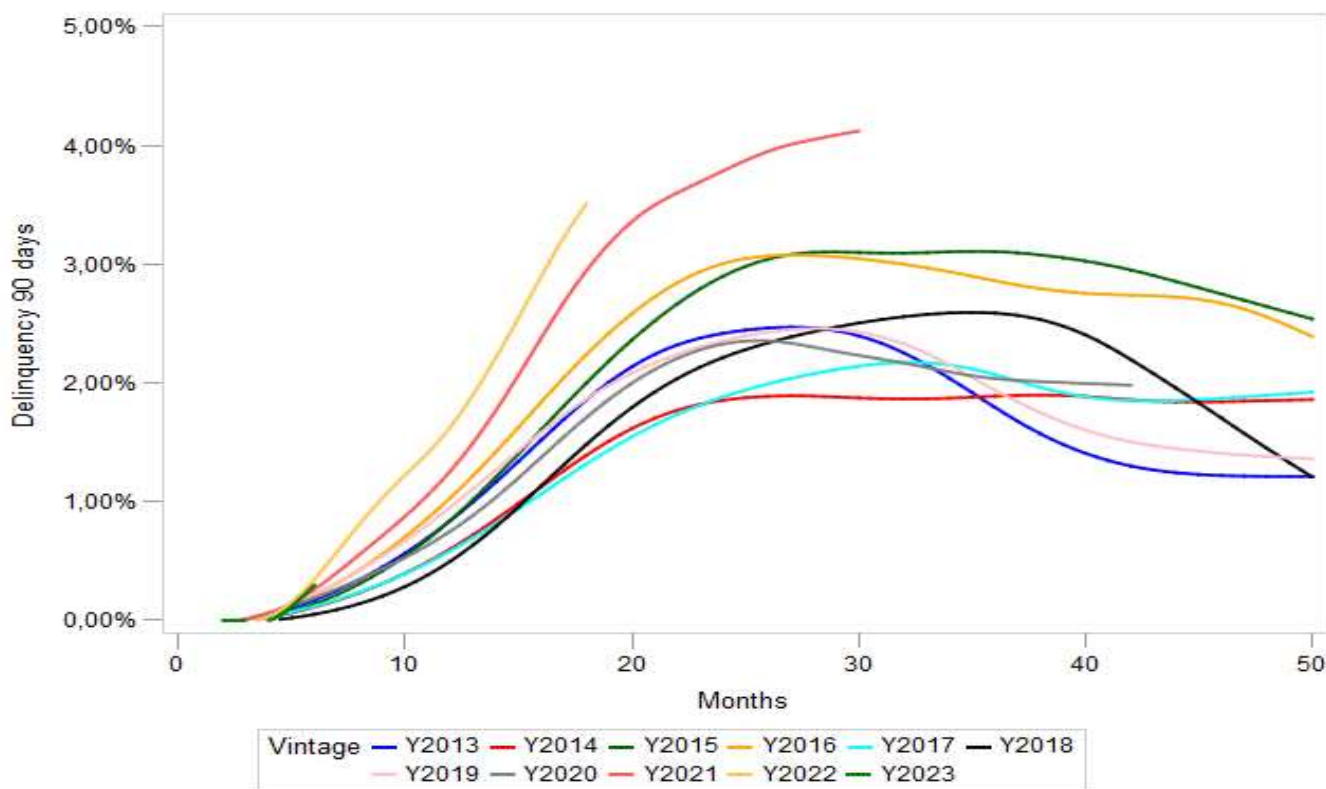
Loans that have been nonperforming for more than 90 days are considered delinquent. Overdraft and

credit card operations are not included in the individuals' loan portfolio.

The following figure shows the vintage by year, making it easier to interpret the data.

The growth of the 2022 crop reflects the behavior of growth in non-payroll loan operations.

Figure 48. Individuals Loan Portfolio – Annual Vintage





## Companies Loan Portfolio

The expanded companies portfolio showed QoQ growth of 2.5% and 10.4% YoY. Highlight to the increase of working capital (+1.4% QoQ and +6.8% YoY), investments (+7.2% QoQ and +8.1% YoY), and ACC/ACE (+10.5% QoQ and +24.8% YoY).

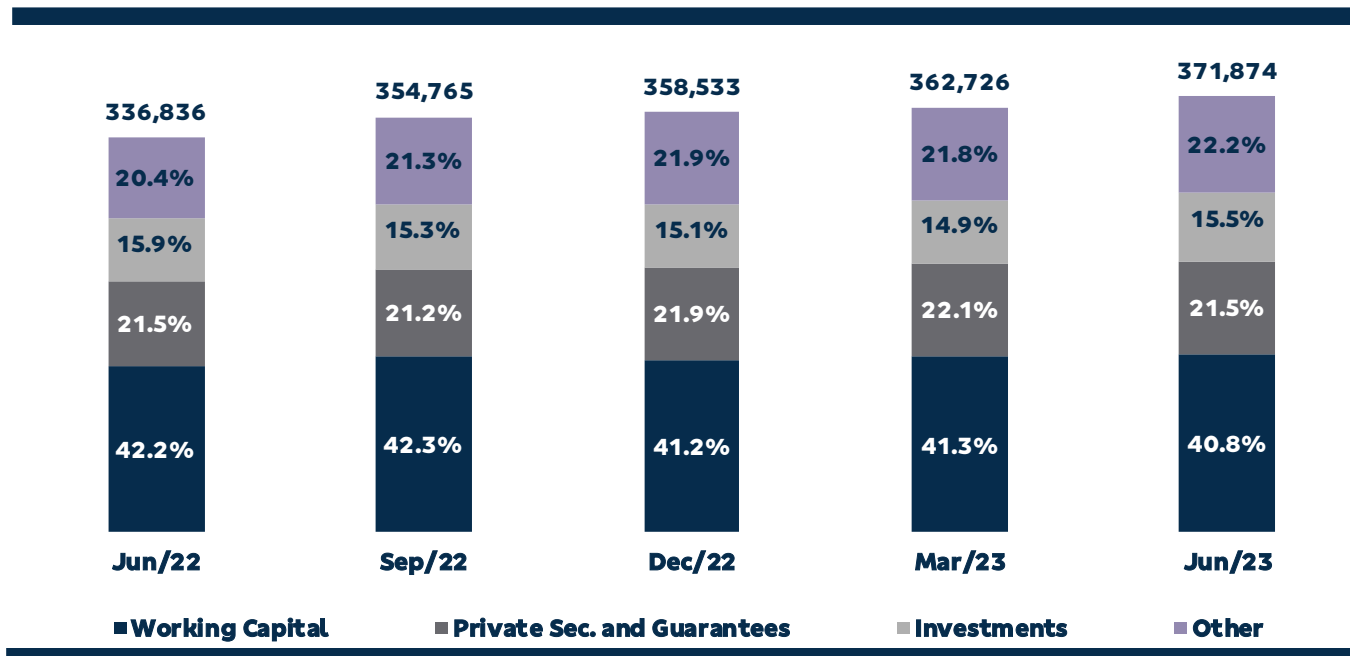
**Table 61.** Companies Loan Portfolio – R\$ million

	Jun/22		Mar/23		Jun/23		Chg. %	
	Value	Share %	Value	Share %	Value	Share %	Jun/22	Mar/23
<b>Classified Loan Portfolio (a)</b>	<b>264,401</b>	<b>78.5</b>	<b>282,488</b>	<b>77.9</b>	<b>291,997</b>	<b>78.5</b>	<b>10.4</b>	<b>3.4</b>
<b>Broad Working Capital</b>	<b>164,151</b>	<b>48.7</b>	<b>175,392</b>	<b>48.4</b>	<b>177,125</b>	<b>47.6</b>	<b>7.9</b>	<b>1.0</b>
Working Capital	142,116	42.2	149,692	41.3	151,813	40.8	6.8	1.4
Receivables	19,623	5.8	22,374	6.2	22,015	5.9	12.2	(1.6)
Pre-Approved-Credit	1,846	0.5	2,738	0.8	2,718	0.7	47.2	(0.7)
Overdraft Account	566	0.2	588	0.2	579	0.2	2.3	(1.6)
<b>Investments</b>	<b>53,444</b>	<b>15.9</b>	<b>53,898</b>	<b>14.9</b>	<b>57,756</b>	<b>15.5</b>	<b>8.1</b>	<b>7.2</b>
<b>ACC/ACE</b>	<b>19,831</b>	<b>5.9</b>	<b>22,402</b>	<b>6.2</b>	<b>24,748</b>	<b>6.7</b>	<b>24.8</b>	<b>10.5</b>
<b>Renegotiated Loan</b>	<b>16,644</b>	<b>4.9</b>	<b>15,740</b>	<b>4.3</b>	<b>17,244</b>	<b>4.6</b>	<b>3.6</b>	<b>9.6</b>
<b>Credit Card</b>	<b>6,466</b>	<b>1.9</b>	<b>9,501</b>	<b>2.6</b>	<b>8,885</b>	<b>2.4</b>	<b>37.4</b>	<b>(6.5)</b>
<b>Mortgage</b>	<b>664</b>	<b>0.2</b>	<b>1,172</b>	<b>0.3</b>	<b>1,511</b>	<b>0.4</b>	<b>127.7</b>	<b>28.9</b>
<b>Other</b>	<b>3,202</b>	<b>1.0</b>	<b>4,384</b>	<b>1.2</b>	<b>4,728</b>	<b>1.3</b>	<b>47.7</b>	<b>7.9</b>
<b>Private Sec. and Guarantees (b)</b>	<b>72,435</b>	<b>21.5</b>	<b>80,238</b>	<b>22.1</b>	<b>79,876</b>	<b>21.5</b>	<b>10.3</b>	<b>(0.5)</b>
<b>Expanded Loan Portfolio (a+b)</b>	<b>336,836</b>	<b>100.0</b>	<b>362,726</b>	<b>100.0</b>	<b>371,874</b>	<b>100.0</b>	<b>10.4</b>	<b>2.5</b>

(1) Series revised in March/23 for private securities and guarantees and expanded companies loan portfolio.

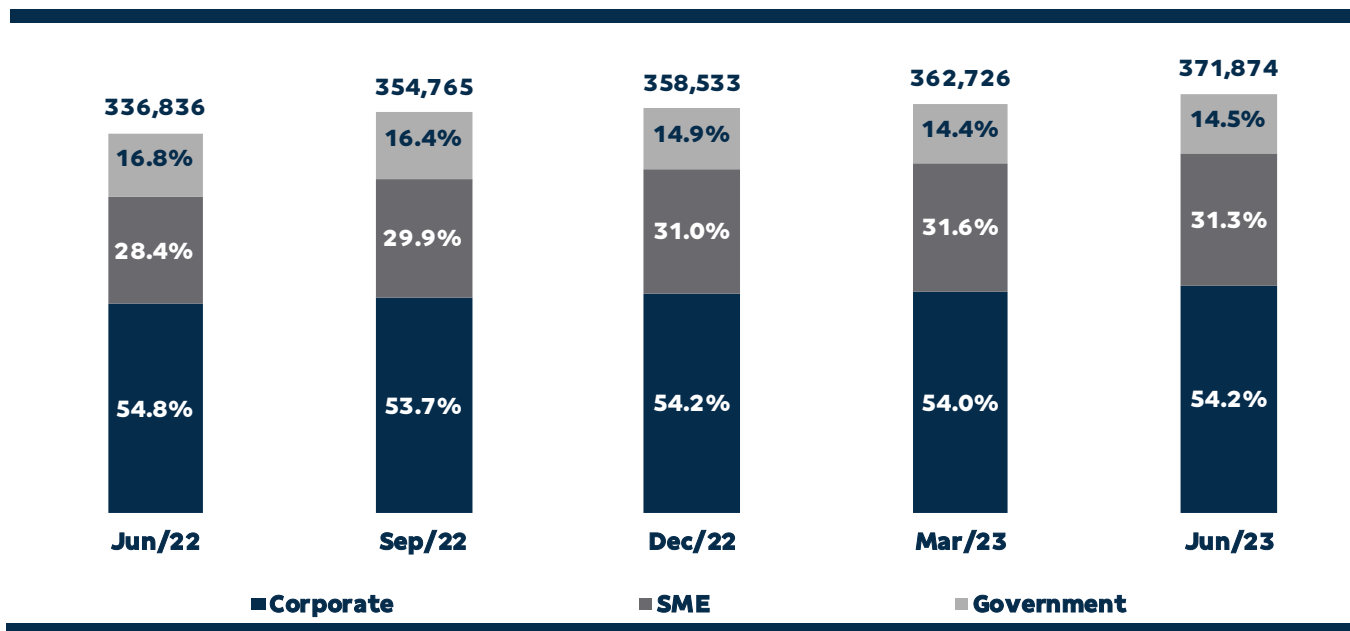


Figure 49. Expanded Companies Loan Portfolio Breakdown – R\$ million



It can be observed, in the next figure, the SME share growth in 12-month comparison (from 28.4% to 31.3%).

Figure 50. Expanded Companies Loan Portfolio Breakdown – R\$ million





## Corporate

Corporate are included in the segment with annual revenues over R\$200 million.

Loans to Corporate was R\$201.7 billion in June/23, (+3.0% QoQ and +9.3% YoY).

### Private Securities and Guarantees

The main private securities instruments used by the Corporates to finance their business are Debentures, Receivables Investment Funds (FIDC), Real Estate Receivables Certificates (CRI), and Agribusiness Receivables Certificates (CRA).

#### Debentures

Debentures are private securities representing the debt of publicly or privately held corporations ("S.A.") and the main instrument for raising funds in the capital market.

For corporate, debenture issues are competitive sources of funding when compared to traditional credit lines, as they often have a lower funding cost.

For investors, debentures usually offer good returns, usually indexed to the CDI or to price indexes.

#### Receivables Investment Funds (FIDC)

The Receivables Investment Funds represent a pool of resources that allocate a portion of their net worth to invest in credit rights arising from commercial, industrial, real estate, financial or service operations receivable by the companies, such as trade bills, contracts, checks, among others.

The rights of these credits are negotiable, that is, the corporate assigns to the fund, anticipating the receipt of the resource, whose anticipation is discounted by a variable rate with the credit risk of these receivables, optimizing the cash management without the need to raise its degree of indebtedness.

#### Real Estate Receivables Certificates (CRI)

The Certificates of Real Estate Receivables are securities backed by real estate credits, representing portions of a credit right belonging to Corporates.

#### Agribusiness Receivables Certificates (CRA)

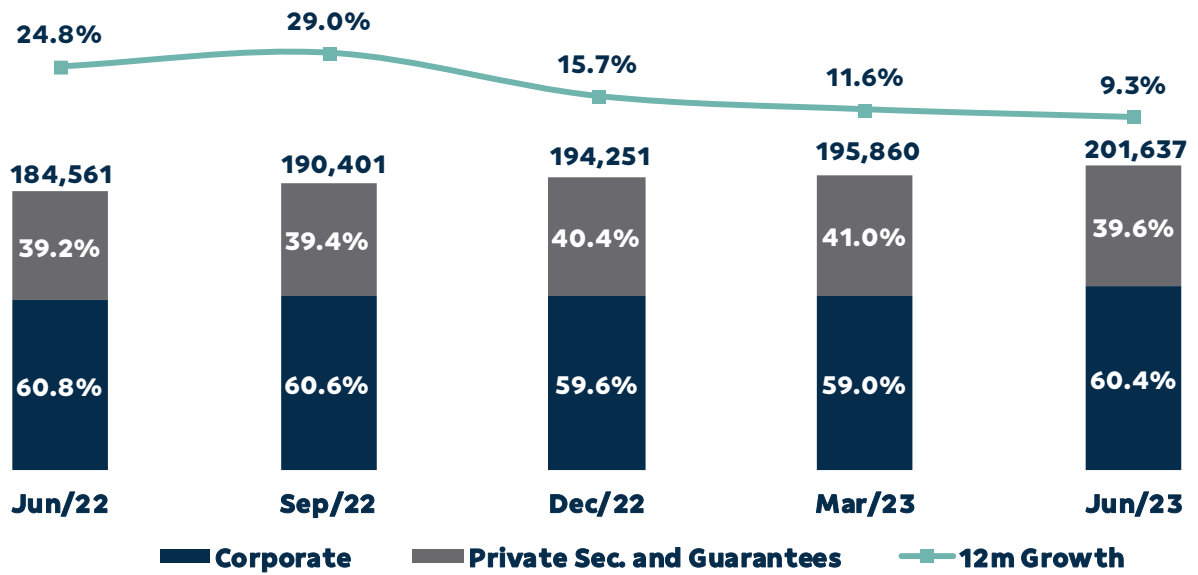
Agribusiness Receivables Certificates are securities backed by credit rights arising from deals carried out between rural producers, or their cooperatives, and third parties, related to the financing of agribusiness activities.

#### Guarantees

Among the businesses focused on the provision of guarantees, an important front of activity is that of completion guarantees in the scope of Project Finance. This is the provision of guarantees aimed at guaranteeing the creditors of investment projects during the implementation phase of the projects. In this front, BB's support for infrastructure projects stands out, especially those of renewable energy generation (mainly wind and solar).



Figure 51. Expanded Corporate Portfolio – R\$ million





## Micro, Small and Medium-sized Enterprises

Micro, Small and Medium-sized Enterprises are included in the segment with annual revenues of up to R\$200 million.

Loans to SME ended June/23, with a balance of R\$116.4 billion (+1.4% QoQ and +21.8% YoY) with

highlight to working capital (+1.9% QoQ and +26.5% YoY).

From the balance of this portfolio, 93.5% was concentrated by account holders for more than two years.

Table 62. SME Loan Portfolio – R\$ million

	Jun/22		Mar/23		Jun/23		Chg. %	
	Balance	Share %	Balance	Share %	Balance	Share %	Jun/22	Mar/23
<b>SME Classified Loan Portfolio</b>	<b>95,638</b>	<b>100.0</b>	<b>114,789</b>	<b>100.0</b>	<b>116,450</b>	<b>100.0</b>	<b>21.8</b>	<b>1.4</b>
<b>Broad Working Capital</b>	<b>66,192</b>	<b>69.2</b>	<b>81,775</b>	<b>71.2</b>	<b>83,232</b>	<b>71.5</b>	<b>25.7</b>	<b>1.8</b>
Working Capital	58,076	60.7	72,086	62.8	73,474	63.1	26.5	1.9
Receivables	6,080	6.4	6,744	5.9	6,793	5.8	11.7	0.7
Pre-Approved-Credit	1,475	1.5	2,362	2.1	2,392	2.1	62.2	1.3
Overdraft Account	561	0.6	582	0.5	573	0.5	2.1	(1.5)
<b>Investments</b>	<b>12,311</b>	<b>12.9</b>	<b>12,601</b>	<b>11.0</b>	<b>12,276</b>	<b>10.5</b>	<b>(0.3)</b>	<b>(2.6)</b>
<b>Renegotiated Loan</b>	<b>7,335</b>	<b>7.7</b>	<b>8,721</b>	<b>7.6</b>	<b>9,664</b>	<b>8.3</b>	<b>31.8</b>	<b>10.8</b>
<b>ACC/ACE</b>	<b>5,344</b>	<b>5.6</b>	<b>6,160</b>	<b>5.4</b>	<b>5,550</b>	<b>4.8</b>	<b>3.9</b>	<b>(9.9)</b>
<b>Credit Card</b>	<b>3,575</b>	<b>3.7</b>	<b>4,005</b>	<b>3.5</b>	<b>4,128</b>	<b>3.5</b>	<b>15.5</b>	<b>3.1</b>
<b>Mortgage</b>	<b>385</b>	<b>0.4</b>	<b>894</b>	<b>0.8</b>	<b>951</b>	<b>0.8</b>	<b>146.6</b>	<b>6.4</b>
<b>Other</b>	<b>495</b>	<b>0.5</b>	<b>633</b>	<b>0.6</b>	<b>649</b>	<b>0.6</b>	<b>30.9</b>	<b>2.4</b>



## Loan to the Government

Banco do Brasil supports the states, Federal District and the municipalities in their demands, financing investment programs that aims to improve quality and transparency of public administration, urban mobility, health, education, and public safety, generating real benefits for the population and contributing to the develop of the country.

R\$5.22 billion was disbursed in 2Q23, largely with Treasury guarantees, to the states and municipalities to enable investment programs included in the multi-

annual plan. Under Central Bank of Brazil Circular 3,644/2013, Article 37, a Risk Weighting Factor (FPR) of 0% must be applied to the portion of exposure covered by credit guarantees provided by the National Treasury transactions, without thereby compromising capital.

The government portfolio has an important participation of on-lending in foreign currency, which implies in variations in function of the behavior of the exchange rate.





## Concentration of Companies by Macro-Sector

The next table presents the concentration by economic macro-sectors of the companies and of the agribusiness companies portfolio, considering the Multiple Bank, operations with securities and guarantee and the external portfolio. The portfolio is constituted from exposures to customers according to their respective economic activity principal, being aggregated according to the macro-sectoral structure adopted by BB.

**Table 63.** Concentration of Companies and Agro Companies Loan Portfolio by Macro-Sector – R\$ million

							Chg. %	
	Jun/22	Share %	Mar/23	Share %	Jun/23	Share %	Jun/22	Mar/23
<b>Total</b>	<b>398,323</b>	<b>100.0</b>	<b>427,794</b>	<b>100.0</b>	<b>441,962</b>	<b>100.0</b>	<b>11.0</b>	<b>3.3</b>
Public Administration	56,913	14.3	52,130	12.2	53,819	12.2	(5.4)	3.2
Food Products of Vegetable Origin	46,836	11.8	47,071	11.0	50,984	11.5	8.9	8.3
Services	41,311	10.4	40,134	9.4	40,859	9.2	(1.1)	1.8
Electric Utilities	25,990	6.5	29,607	6.9	30,724	7.0	18.2	3.8
Oil and Gas	21,497	5.4	23,267	5.4	23,617	5.3	9.9	1.5
Transportation	21,159	5.3	22,331	5.2	22,912	5.2	8.3	2.6
Metalworking and Steel	17,574	4.4	23,681	5.5	23,069	5.2	31.3	(2.6)
Food Products of Animal Origin	17,183	4.3	19,977	4.7	21,326	4.8	24.1	6.8
Financials	17,106	4.3	19,068	4.5	18,654	4.2	9.0	(2.2)
Retail	16,698	4.2	18,599	4.3	19,323	4.4	15.7	3.9
Automobiles and Components	16,198	4.1	17,250	4.0	17,577	4.0	8.5	1.9
Agricultural Inputs	14,776	3.7	15,475	3.6	16,885	3.8	14.3	9.1
Electrical and Electronic Goods	12,173	3.1	14,278	3.3	14,855	3.4	22.0	4.0
Construction Materials	11,952	3.0	14,688	3.4	14,317	3.2	19.8	(2.5)
Chemicals	11,141	2.8	12,462	2.9	12,953	2.9	16.3	3.9
Wholesale and Industries	10,012	2.5	9,947	2.3	10,343	2.3	3.3	4.0
Textiles	7,250	1.8	7,997	1.9	7,955	1.8	9.7	(0.5)
Telecommunication Services	6,515	1.6	8,255	1.9	8,547	1.9	31.2	3.5
Housing	6,294	1.6	7,041	1.6	8,259	1.9	31.2	17.3
Pulp and Paper	5,461	1.4	5,593	1.3	5,526	1.3	1.2	(1.2)
Furniture and Forest Products	4,976	1.2	5,929	1.4	6,133	1.4	23.3	3.4
Heavy Construction	3,556	0.9	4,027	0.9	4,279	1.0	20.4	6.3
Leather and Shoes	2,155	0.5	2,608	0.6	2,379	0.5	10.4	(8.8)
Beverages	1,572	0.4	1,776	0.4	1,563	0.4	(0.6)	(12.0)
Other Activities	2,028	0.5	4,602	1.1	5,105	1.2	151.7	10.9
<b>Total</b>	<b>398,323</b>	<b>100.0</b>	<b>427,794</b>	<b>100.0</b>	<b>441,962</b>	<b>100.0</b>	<b>11.0</b>	<b>3.3</b>
Domestic Loan Portfolio	277,943	69.8	296,299	69.3	306,418	69.3	10.2	3.4
Abroad Loan Portfolio	23,522	5.9	24,862	5.8	24,527	5.5	4.3	(1.4)
Guarantees	24,316	6.1	25,626	6.0	26,627	6.0	9.5	3.9
Securities	72,541	18.2	81,007	18.9	84,391	19.1	16.3	4.2



## Companies Credit Risk

The following figure details the companies loan portfolio by risk level. The balance of companies' loan provision was R\$20.6 billion in June/23.

**Table 64.** Companies Classified Loan Portfolio by Risk Level – %

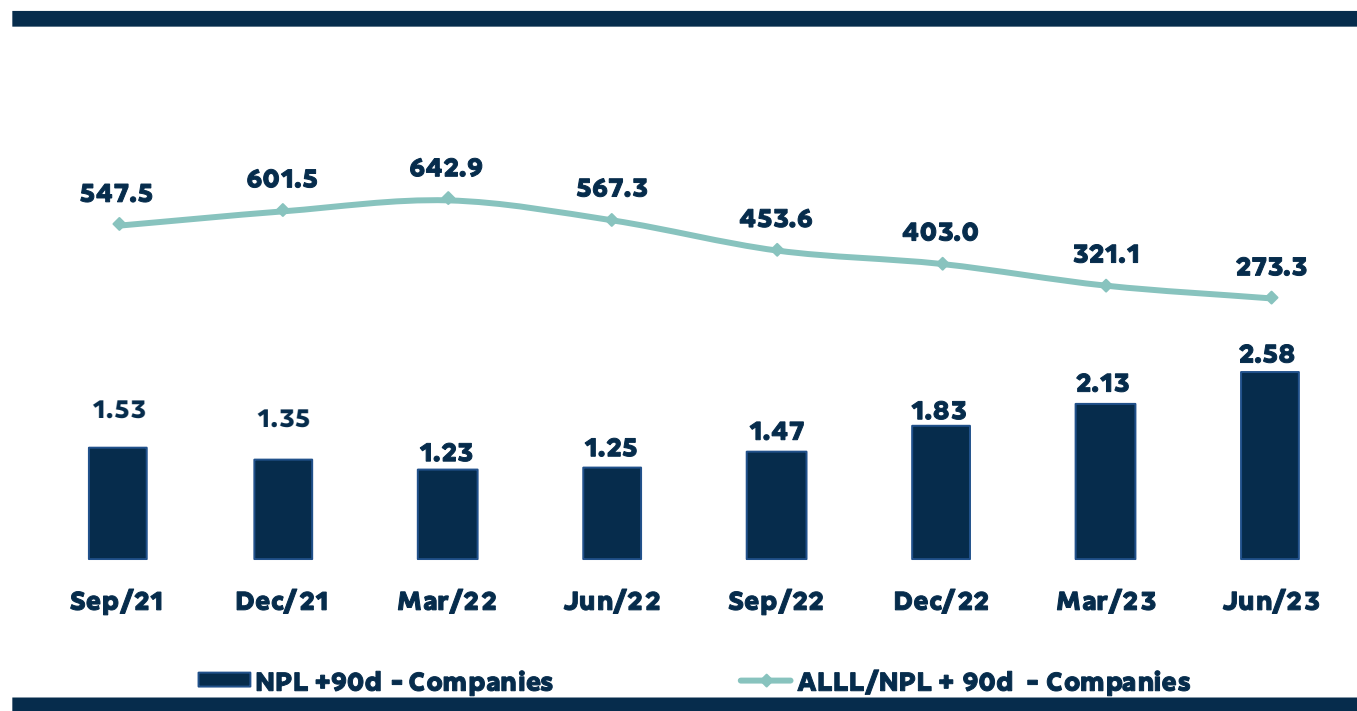
	Jun/22			Mar/23			Jun/23		
	Balance	Provision	Share (%)	Balance	Provision	Share (%)	Balance	Provision	Share (%)
AA	161,742	–	61.2	162,641	–	57.6	167,355	–	57.3
A	20,509	105	7.8	27,327	140	9.7	27,993	144	9.6
B	36,802	507	13.9	39,732	533	14.1	40,302	539	13.8
C	22,593	1,506	8.5	29,004	2,044	10.3	30,887	2,171	10.6
D	3,071	364	1.2	2,829	332	1.0	3,159	368	1.1
E	3,467	1,040	1.3	3,401	1,020	1.2	3,866	1,160	1.3
F	1,263	632	0.5	3,852	1,950	1.4	2,734	1,391	0.9
G	1,647	1,219	0.6	1,230	861	0.4	2,928	2,049	1.0
H	13,308	13,308	5.0	12,473	12,473	4.4	12,772	12,772	4.4
<b>Total</b>	<b>264,401</b>	<b>18,682</b>	<b>100.0</b>	<b>282,488</b>	<b>19,354</b>	<b>100.0</b>	<b>291,997</b>	<b>20,594</b>	<b>100.0</b>
<b>AA-C</b>	<b>241,645</b>	<b>2,118</b>	<b>91.4</b>	<b>258,703</b>	<b>2,718</b>	<b>91.6</b>	<b>266,538</b>	<b>2,854</b>	<b>91.3</b>
<b>D-H</b>	<b>22,756</b>	<b>16,564</b>	<b>8.6</b>	<b>23,785</b>	<b>16,636</b>	<b>8.4</b>	<b>25,459</b>	<b>17,740</b>	<b>8.7</b>

The NPL +90d companies (ratio between operations overdue for more than 90 days and the balance of the companies classified loan portfolio) increased 35 bps in the quarterly comparison, reaching 2.58% in June/23. In the quarter, part of the credit operations with the specific customer of the large corporate segment that filed for judicial



recovery in January 2023 started to impact the delinquency indicator above 90 days. Without this impact, Banco do Brasil's companies NPL+90d would have been 2.31%.

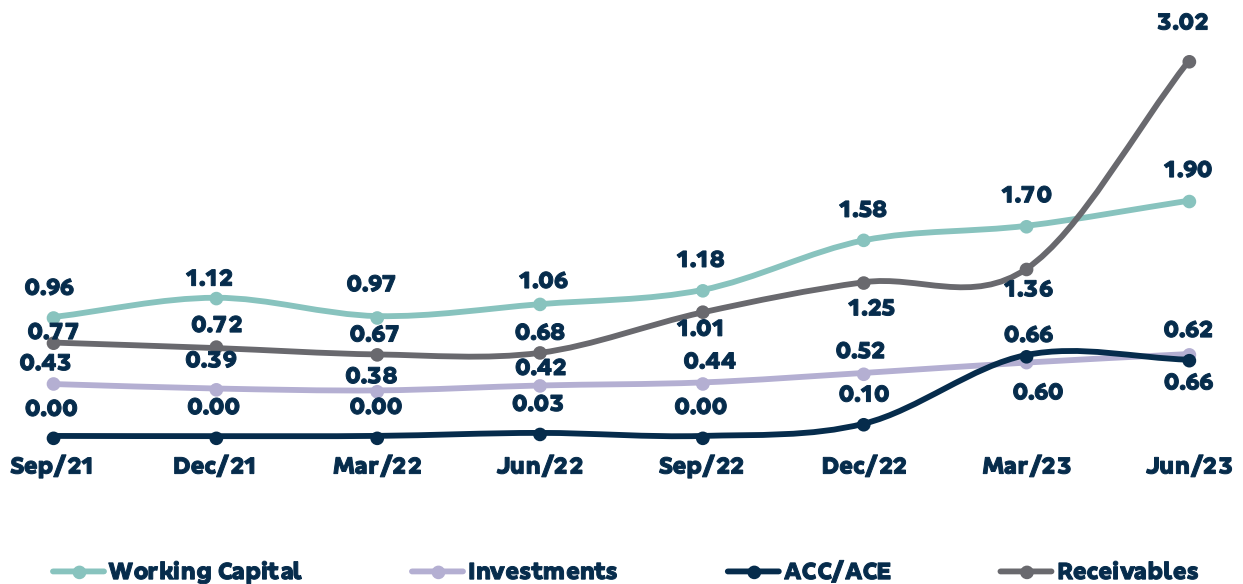
Figure 52. Companies NPL +90d and Classified Loan Portfolio Coverage Index – %





The NPL +90d for the receivables operations was 3.02% in 2Q23 and for working capital was 1.90%. Disregarding the specific case, the indexes would have been 1.65%. and 1.81% respectively.

Figure 53. NPL +90d Companies Portfolio – % by Credit Line

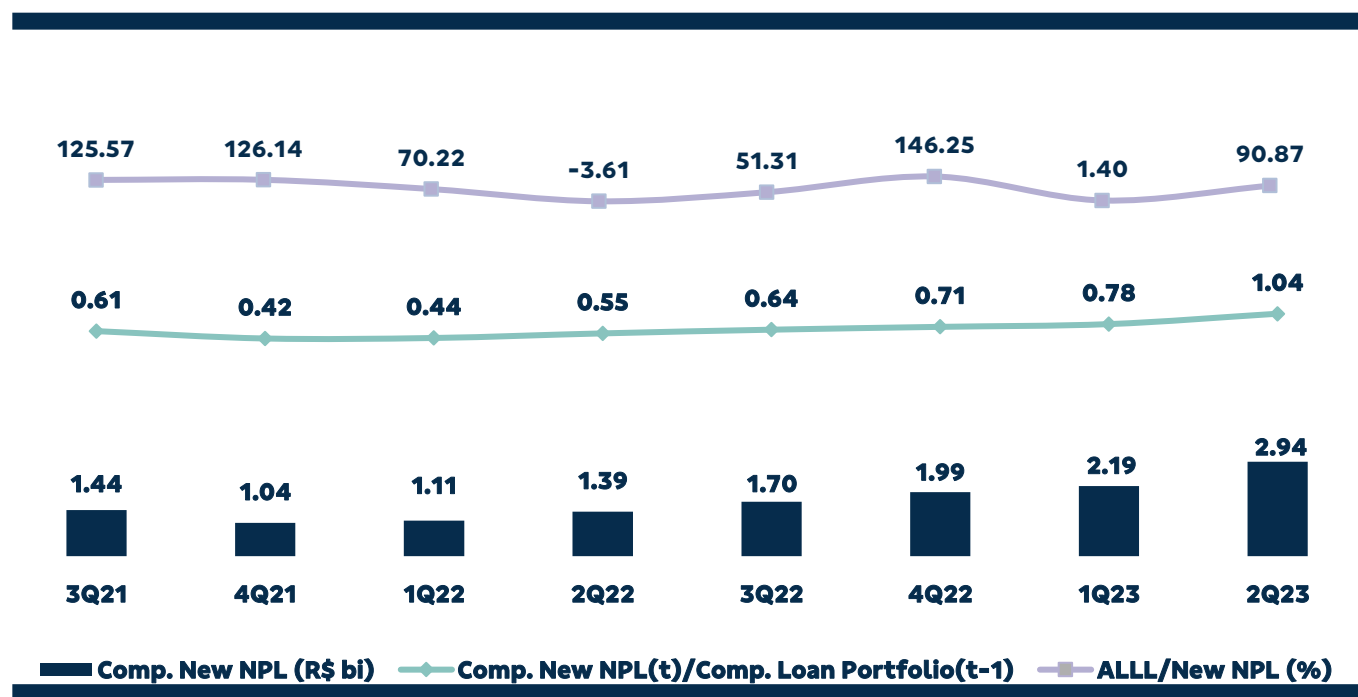


The companies' loan portfolio's New NPL closed at 1.04% compared to 0.78% in the previous quarter, impacted by part of the credits of a specific company in the large corporate segment that filed for a court-supervised



reorganization process judicial recovery in January 2023, which affected the NPL +90d this quarter. New NPL coverage was 90.87%.

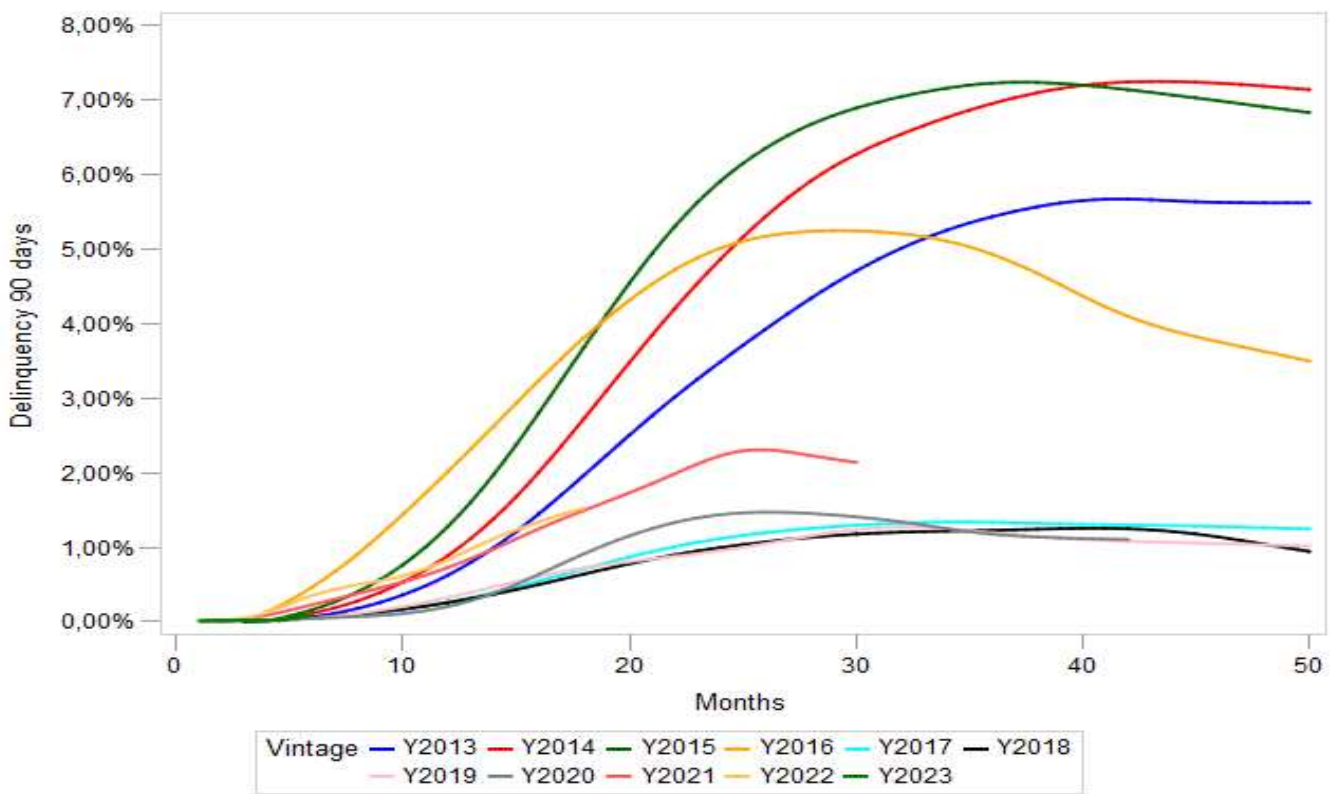
Figure 54. New NPL – Companies Loan Portfolio





The following figure shows the SME loan portfolio delinquency per vintages

Figure 55. SME Companies Loans Portfolio – Annual Vintage





# Agribusiness Loan Portfolio

The expanded agribusiness portfolio was down 0.3% QoQ and up 22.7% YoY. The quarterly drop reflects the settlement of working capital operations, which occurs seasonally in the last quarter of the Crop Plan. In 12-month comparison, highlight for working capital (+30.6%) and investment operations (+46.8%).

**Table 65.** Agribusiness Loan Portfolio – R\$ million

	Jun/22		Mar/23		Jun/23		Chg. %	
	Share %	Share %	Share %	Share %	Jun/22	Mar/23		
<b>Classified Loan Portfolio (a)</b>	<b>240,862</b>	<b>91.9</b>	<b>297,148</b>	<b>92.1</b>	<b>291,929</b>	<b>90.8</b>	<b>21.2</b>	<b>(1.8)</b>
<b>Rural Credit</b>	<b>239,732</b>	<b>91.5</b>	<b>291,813</b>	<b>90.5</b>	<b>285,731</b>	<b>88.8</b>	<b>19.2</b>	<b>(2.1)</b>
Working Capital for Input Purchase	68,619	26.2	97,743	30.3	89,603	27.9	30.6	(8.3)
Pronaf	51,671	19.7	58,444	18.1	57,187	17.8	10.7	(2.2)
Agricultural Investment	45,655	17.4	65,277	20.2	67,034	20.8	46.8	2.7
FCO Rural	27,412	10.5	28,894	9.0	29,715	9.2	8.4	2.8
Pronamp	18,263	7.0	18,094	5.6	15,714	4.9	(14.0)	(13.2)
Agricultural Selling	8,995	3.4	8,705	2.7	11,869	3.7	31.9	36.3
Low Carbon	5,887	2.2	4,898	1.5	4,789	1.5	(18.6)	(2.2)
Industrialization	4,390	1.7	2,709	0.8	2,743	0.9	(37.5)	1.3
BNDES/Finame Rural	4,358	1.7	3,700	1.1	3,619	1.1	(16.9)	(2.2)
Other	4,483	1.7	3,347	1.0	3,457	1.1	(22.9)	3.3
<b>Loans to Companies</b>	<b>1,130</b>	<b>0.4</b>	<b>5,335</b>	<b>1.7</b>	<b>6,198</b>	<b>1.9</b>	<b>448.5</b>	<b>16.2</b>
<b>Rural Prod. Bills and Guarantees (b)</b>	<b>10,198</b>	<b>3.9</b>	<b>13,687</b>	<b>4.2</b>	<b>18,276</b>	<b>5.7</b>	<b>79.2</b>	<b>33.5</b>
<b>CDCA (c)</b>	<b>10,983</b>	<b>4.2</b>	<b>11,676</b>	<b>3.6</b>	<b>11,402</b>	<b>3.5</b>	<b>3.8</b>	<b>(2.3)</b>
<b>Expanded Loan Portfolio (a+b+c)</b>	<b>262,042</b>	<b>100.0</b>	<b>322,511</b>	<b>100.0</b>	<b>321,606</b>	<b>100.0</b>	<b>22.7</b>	<b>(0.3)</b>



The following table shows the balance of agribusiness loan portfolio and the breakdown by customer size.

**Table 66.** Agribusiness Loan Portfolio by Customer Size – R\$ million

	Jun/22	Share %	Mar/23	Share %	Jun/23	Share %	Chg. %	
							Jun/22	Mar/23
<b>Classified Loan Portfolio</b>	<b>240,862</b>	<b>91.9</b>	<b>297,148</b>	<b>92.1</b>	<b>291,929</b>	<b>90.8</b>	<b>21.2</b>	<b>(1.8)</b>
Medium and Large	169,917	64.8	218,820	67.8	214,068	66.6	26.0	(2.2)
Small	57,492	21.9	64,624	20.0	63,543	19.8	10.5	(1.7)
Companies	5,282	2.0	7,762	2.4	8,515	2.6	61.2	9.7
Agroindustrial Cooperatives	8,171	3.1	5,942	1.8	5,803	1.8	(29.0)	(2.3)
<b>Rural Product Bills and Guarantees</b>	<b>10,198</b>	<b>3.9</b>	<b>13,687</b>	<b>4.2</b>	<b>18,276</b>	<b>5.7</b>	<b>79.2</b>	<b>33.5</b>
<b>CDCA</b>	<b>10,983</b>	<b>4.2</b>	<b>11,676</b>	<b>3.6</b>	<b>11,402</b>	<b>3.5</b>	<b>3.8</b>	<b>(2.3)</b>
<b>Expanded Loan Portfolio</b>	<b>262,042</b>	<b>100.0</b>	<b>322,511</b>	<b>100.0</b>	<b>321,606</b>	<b>100.0</b>	<b>22.7</b>	<b>(0.3)</b>





The following table shows the balance of agribusiness loan transactions by financed item.

**Table 67.** Agribusiness Loan Portfolio by Financed Item – R\$ million

	Jun/22		Mar/23		Jun/23		Chg. %	
	Share %	Share %	Share %	Share %	Jun/22	Mar/23	Jun/22	Mar/23
<b>Classified Loan Portfolio</b>	<b>240,862</b>	<b>91.9</b>	<b>297,148</b>	<b>92.1</b>	<b>291,929</b>	<b>90.8</b>	<b>21.2</b>	<b>(1.8)</b>
Livestock	61,585	23.5	70,854	22.0	71,453	22.2	16.0	0.8
Meat	47,995	18.3	57,900	18.0	58,879	18.3	22.7	1.7
Milk	13,590	5.2	12,954	4.0	12,574	3.9	(7.5)	(2.9)
Machinery and Equipment	45,165	17.2	55,602	17.2	55,677	17.3	23.3	0.1
Soybean	29,313	11.2	46,921	14.5	38,377	11.9	30.9	(18.2)
Corn	16,454	6.3	19,519	6.1	18,480	5.7	12.3	(5.3)
Agricultural Storage	10,310	3.9	12,248	3.8	12,600	3.9	22.2	2.9
Soil Improvement	8,658	3.3	11,066	3.4	11,299	3.5	30.5	2.1
Coffee	7,909	3.0	9,731	3.0	10,200	3.2	29.0	4.8
Pasture	6,499	2.5	7,875	2.4	8,105	2.5	24.7	2.9
Aviculture	4,161	1.6	4,061	1.3	4,024	1.3	(3.3)	(0.9)
Sugarcane	3,619	1.4	3,910	1.2	3,900	1.2	7.8	(0.3)
Wheat	2,702	1.0	2,660	0.8	2,867	0.9	6.1	7.8
Rice	2,518	1.0	2,527	0.8	2,403	0.7	(4.6)	(4.9)
Swine Production	2,450	0.9	2,591	0.8	2,594	0.8	5.9	0.1
Trucks/vehicles	2,391	0.9	2,454	0.8	2,409	0.7	0.8	(1.8)
Cotton	1,277	0.5	1,532	0.5	1,554	0.5	21.7	1.4
Eucalyptus/Pinus/Forests	942	0.4	924	0.3	897	0.3	(4.8)	(2.9)
Other	33,779	12.9	37,338	11.6	38,892	12.1	15.1	4.2
<b>Loans to Companies</b>	<b>1,130</b>	<b>0.4</b>	<b>5,335</b>	<b>1.7</b>	<b>6,198</b>	<b>1.9</b>	<b>448.5</b>	<b>16.2</b>
<b>Rural Product Bills and Guarantees</b>	<b>10,198</b>	<b>3.9</b>	<b>13,687</b>	<b>4.2</b>	<b>18,276</b>	<b>5.7</b>	<b>79.2</b>	<b>33.5</b>
<b>CDCA</b>	<b>10,983</b>	<b>4.2</b>	<b>11,676</b>	<b>3.6</b>	<b>11,402</b>	<b>3.5</b>	<b>3.8</b>	<b>(2.3)</b>
<b>Expanded Loan Portfolio</b>	<b>262,042</b>	<b>100.0</b>	<b>322,511</b>	<b>100.0</b>	<b>321,606</b>	<b>100.0</b>	<b>22.7</b>	<b>(0.3)</b>



In the 22/23 crop, Banco do Brasil disbursed R\$189.8 billion (+23.3% over the previous crop) in agribusiness loan operations. BB announced the new 2023/2024 Crop Plan in July, with a forecast disbursement of R\$240 billion, R\$48 billion of which for family farmers and medium producers.

The following table shows a comparison of the disbursement in the current crop with the same period of the previous crop, detailing the customer segment.

**Table 68.** Rural Credit Disbursements by Purpose – R\$ million

	Crop 21/22	Crop 22/23	Chg. % Crop 21/22
<b>Total</b>	<b>153,874</b>	<b>189,773</b>	<b>23.3</b>
Companies	97,862	126,286	29.0
Family - Pronaf	19,304	22,474	16.4
Medium - Pronamp	15,374	19,431	26.4
CDCA	10,326	1,631	(84.2)
Rural Product Bills and Guarantees	11,009	19,951	81.2



## Risk Mitigators

Banco do Brasil encourages the linking of risk mitigation mechanisms to the contracting of working capital for input purchase operations. The strategy is improved with each new crop, extending the protection mechanisms so that producers can invest safely.

The risk mitigation strategy considers several types of information such as activity risk, type of crop to be

financed and financing location. Those types of information allow the use of protective devices that best fit the risk profile of each transaction.

The following table shows the recent historic use of risk mitigators in the working capital for input purchases, for the specific crops.

**Table 69.** Insurance in the Working Capital for Input Purchase – R\$ million

	<b>Crop 20/21</b>	<b>Share %</b>	<b>Crop 21/22</b>	<b>Share %</b>	<b>Crop 22/23</b>	<b>Share %</b>
<b>Working Capital for Input Purchase</b>	<b>49,369</b>	<b>100.0</b>	<b>49,475</b>	<b>100.0</b>	<b>73,523</b>	<b>100.0</b>
<b>Total Insured</b>	<b>28,472</b>	<b>57.7</b>	<b>31,953</b>	<b>64.6</b>	<b>44,803</b>	<b>60.9</b>
Crop Insurance	23,822	48.3	25,506	51.6	35,749	48.6
Proagro	4,644	9.4	6,287	12.7	8,886	12.1
Hedge Price	6	0.0	160	0.3	168	0.2
<b>Without Insurance</b>	<b>20,897</b>	<b>42.3</b>	<b>17,522</b>	<b>35.4</b>	<b>28,721</b>	<b>39.1</b>

The distribution of risks assumed, as a result of agricultural insurance, were distributed as follows in 2Q23: 28.0% for Mapfre Re, 20.0% for Brasilseg, 20.0% for Munich Re, 12.0% for Hannover Ruck SE, 12.0% for IRB Brasil Resseguros, 4.8% for Arch Re, among others.



## Market Share of the Agribusiness

Historically, Banco do Brasil remains as the main agribusiness financial agent in the country, contributing significantly to supply the credit demand. According to Central Bank of Brazil's June/23 data, BB accounted for 52.5% of all financings granted to the agribusiness sector. In direct loans to rural producers (market share

in agribusiness loans to individuals), the market share is 57.4%.

The distribution of agribusiness operations by Brazilian region shows the share of each in the loan portfolio.

**Table 70.** Classified Agribusiness Loan Portfolio by Region – %

	2Q23		
	Rural Credit	Agroindustry	Total
Midwest	34.7	3.5	34.1
South	23.3	7.7	23.0
Southeast	22.8	84.2	24.1
Northeast	9.7	3.8	9.5
North	9.5	0.8	9.3



In June/23, Sustainable Loan Portfolio corresponded to 44,0% of the agribusiness portfolio.

**Table 71.** Breakdown of the Sustainable Loan Portfolio – Agribusiness – R\$ million

	Jun/22	Share %	Mar/23	Share %	Jun/23	Share %
<b>Sustainable Loan Portfolio - Agriculture</b>	<b>121,320</b>	<b>100.0</b>	<b>150,404</b>	<b>100.0</b>	<b>141,424</b>	<b>100.0</b>
<b>Best Socio-environmental Practices</b>	<b>74,575</b>	<b>61.5</b>	<b>83,620</b>	<b>55.6</b>	<b>84,369</b>	<b>59.7</b>
Pronaf Mais Alimentos	37,029	30.5	40,290	26.8	39,293	27.8
Investment Loans	27,079	22.3	30,360	20.2	31,668	22.4
Working Capital (Pronaf)	10,468	8.6	12,970	8.6	13,409	9.5
<b>Low Carbon Program</b>	<b>46,745</b>	<b>38.5</b>	<b>66,787</b>	<b>44.4</b>	<b>57,055</b>	<b>40.3</b>
Working Capital (No-till)	39,713	32.7	58,178	38.7	48,579	34.3
Low Carbon Program	7,032	5.8	8,608	5.7	8,476	6.0



## Agribusiness Credit Risk

The following figure details the agribusiness loan portfolio by risk level. The balance of agribusiness loan provision was R\$3.9 billion in June/23.

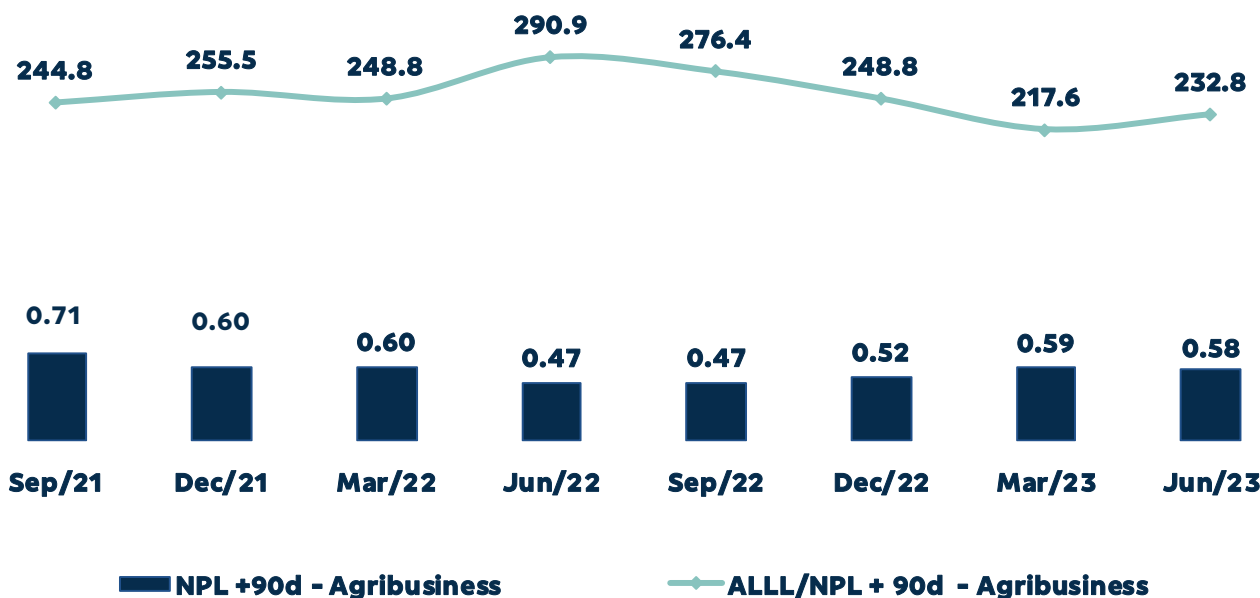
**Table 72.** Agribusiness Classified Loan Portfolio by Risk Level – %

	Jun/22			Mar/23			Jun/23		
	Balance	Provision	Share (%)	Balance	Provision	Share (%)	Balance	Provision	Share (%)
AA	154,591	–	64.2	241,754	–	81.4	233,334	–	79.9
A	37,014	206	15.4	23,966	132	8.1	26,789	146	9.2
B	37,391	468	15.5	20,488	265	6.9	20,606	268	7.1
C	8,048	342	3.3	5,643	243	1.9	5,901	254	2.0
D	894	98	0.4	1,003	107	0.3	1,243	131	0.4
E	629	189	0.3	849	255	0.3	712	214	0.2
F	405	202	0.2	944	472	0.3	603	302	0.2
G	293	205	0.1	491	344	0.2	447	313	0.2
H	1,598	1,598	0.7	2,011	2,011	0.7	2,292	2,292	0.8
<b>Total</b>	<b>240,862</b>	<b>3,307</b>	<b>100.0</b>	<b>297,148</b>	<b>3,828</b>	<b>100.0</b>	<b>291,929</b>	<b>3,919</b>	<b>100.0</b>
<b>AA-C</b>	<b>237,044</b>	<b>1,016</b>	<b>98.4</b>	<b>291,850</b>	<b>641</b>	<b>98.2</b>	<b>286,631</b>	<b>668</b>	<b>98.2</b>
<b>D-H</b>	<b>3,818</b>	<b>2,291</b>	<b>1.6</b>	<b>5,297</b>	<b>3,188</b>	<b>1.8</b>	<b>5,298</b>	<b>3,251</b>	<b>1.8</b>



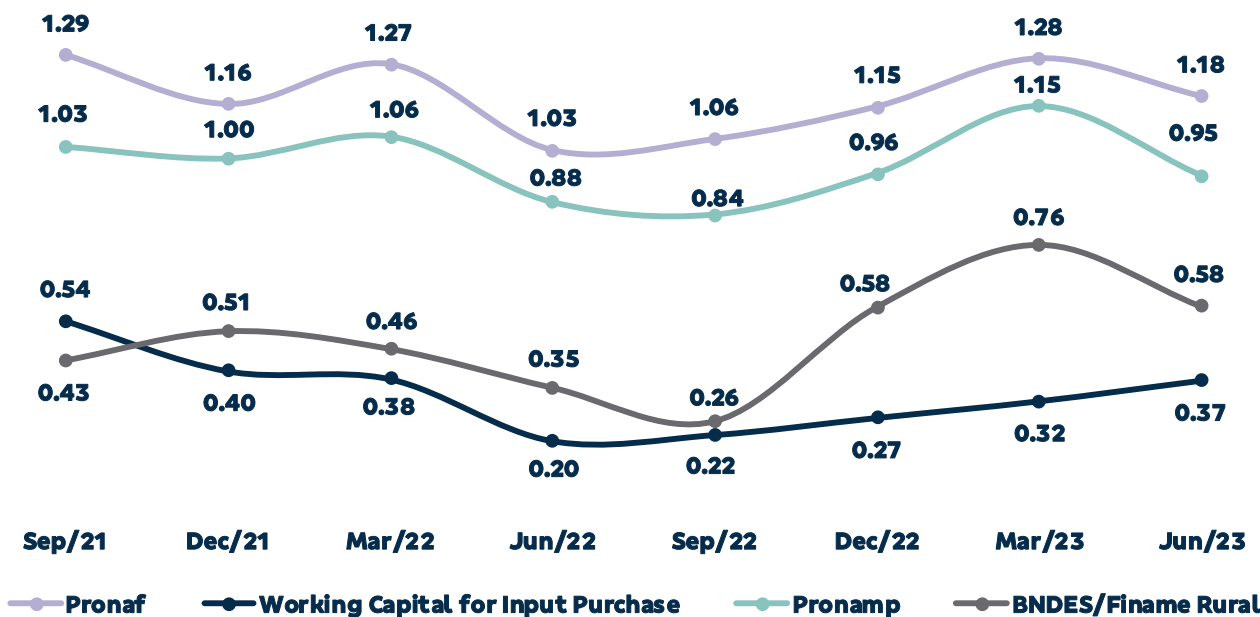
The NPL +90d of the agribusiness loan portfolio was 0.58% in 2Q23, while the coverage ratio was 232.8% In the same period.

Figure 56. Agribusiness NPL +90d and Classified Loan Portfolio Coverage Index – %



The following figure details the agribusiness loan portfolio NPL +90d by credit line.

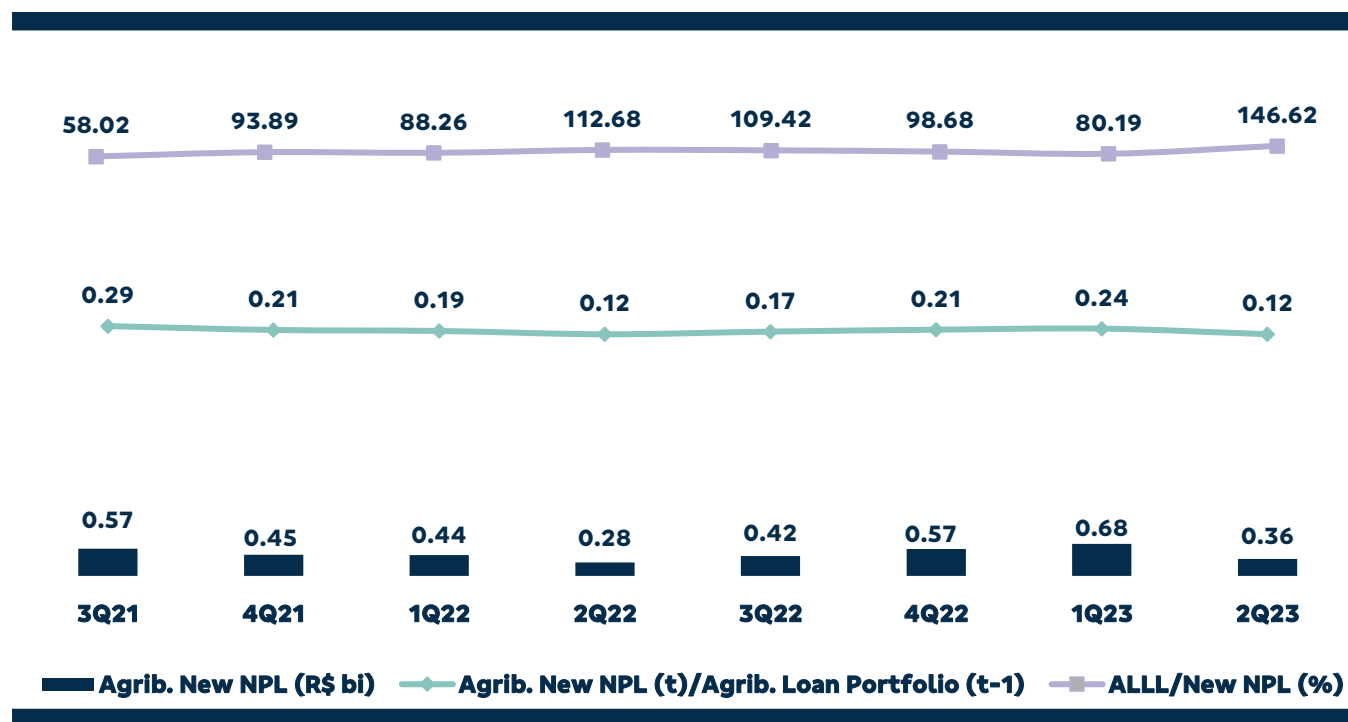
Figure 57. NPL +90d Agribusiness Portfolio – % by Credit Line





The next figure shows the agribusiness loan portfolio’s new NPL. The index closed the quarter at 0.12% over 0.24% in the previous quarter. New NPL coverage was 146.62%.

Figure 58. New NPL – Agribusiness Loan Portfolio







## Portfolio with and without Rollover

The average portfolio risk is affected by rollover transactions. CMN Resolution 2,682/99, which provides for the classification of risk and constitution of allowances for loan losses, requires the maintenance of risk of the renegotiated loans at the risk level of the time of renegotiation. Due to this regulation, renegotiated transactions increase the loan portfolio's average risk.

**Table 73.** Agribusiness Transactions with Rollover and without it – R\$ million

	Portfolio without Rollover <sup>1</sup>			Portfolio with Rollover <sup>1</sup>		
	Balance	Provision	NPL +90d	Balance	Provision	NPL +90d
<b>Total</b>	<b>275,180</b>	<b>2,377</b>	<b>1,363</b>	<b>16,748</b>	<b>1,543</b>	<b>320</b>
AA	226,063	–	–	6,948	–	–
A	24,451	132	–	2,344	15	–
B	17,050	217	–	3,597	51	–
C	4,356	188	44	1,591	66	4
D	827	85	86	435	47	9
E	509	92	155	405	121	29
F	341	170	188	263	131	45
G	269	188	155	178	125	27
H	1,314	1,305	735	987	987	206
<b>Total</b>	<b>275,180</b>	<b>2,377</b>	<b>1,363</b>	<b>16,748</b>	<b>1,543</b>	<b>320</b>
AA-C	271,920	537	44	14,480	132	4
D-H	3,260	1,840	1,319	2,268	1,411	316

(1) Non-performing loans at AA level refers to credit with third-party risk.



## 8.

# Funding

Commercial funding was R\$976.4 billion in June/23, up 4.8% QoQ and 11.1% YoY. In both periods, highlight to the performance of time deposits and agribusiness letters of credit.



Table 74. Commercial Funding – R\$ million

	Jun/22	Share %	Mar/23	Share %	Jun/23	Share %	Chg. (%)	
							Jun/22	Mar/23
<b>Commercial Funding</b>	<b>878,995</b>	<b>100.0</b>	<b>931,590</b>	<b>100.0</b>	<b>976,425</b>	<b>100.0</b>	<b>11.1</b>	<b>4.8</b>
Savings Deposits	216,894	24.7	206,768	22.2	205,953	21.1	(5.0)	(0.4)
Judicial Deposits	189,857	21.6	220,792	23.7	230,962	23.7	21.7	4.6
Time Deposits <sup>1</sup>	200,735	22.8	221,584	23.8	226,282	23.2	12.7	2.1
Demand Deposits	110,974	12.6	101,579	10.9	105,334	10.8	(5.1)	3.7
Agribusiness Letters of Credits	109,061	12.4	137,335	14.7	161,468	16.5	48.1	17.6
Interbank Deposits	26,550	3.0	24,135	2.6	24,832	2.5	(6.5)	2.9
Rep. Agreem. with Private Sec. <sup>2</sup>	12,046	1.4	7,321	0.8	7,620	0.8	(36.7)	4.1
Mortgage Bonds <sup>3</sup>	12,877	1.5	12,075	1.3	13,974	1.4	8.5	15.7

(1) Includes the balance of other deposits presented in the Notes to the Consolidated Financial Statements; (2) Includes part of the balances of Private Securities presented in the Notes to the Consolidated Financial Statements; (3) Includes the balance of CRI (Certificates of Real Estate Receivables).



Figure 59. BB's Funding Market Share – R\$ billion



(1) Market share in the BI was obtained from the report of the Central Bank of Brazil selected data from supervised entities available at <https://www3.bcb.gov.br/infdata/?lang=1>. Position: March 2023, last available; (2) Includes judicial deposits; (3) Includes total deposits and money market borrowing. Historical series updated by the Central Bank of Brazil.



The following table shows the balance of BB's institutional funding, which mostly consists of issuance of securities acquired by qualified investors.

**Table 75.** Institutional Funding – R\$ million

	Jun/22	Share %	Mar/23	Share %	Jun/23	Share %	Chg. (%)	
							Jun/22	Mar/23
<b>Institutional Funding</b>	<b>174,299</b>	<b>100.0</b>	<b>173,704</b>	<b>100.0</b>	<b>168,956</b>	<b>100.0</b>	<b>(3.1)</b>	<b>(2.7)</b>
Borr., Assign and Onlending	101,189	58.1	99,627	57.4	99,988	59.2	(1.2)	0.4
Securities Issued Abroad	36,235	20.8	36,585	21.1	38,113	22.6	5.2	4.2
Hybrid Instruments	28,655	16.4	27,176	15.6	18,975	11.2	(33.8)	(30.2)
Subord. Debt Overseas	3,982	2.3	–	–	–	–	–	–
Financial Letters	4,238	2.4	10,316	5.9	11,880	7.0	180.3	15.2

The following tables show BB's funding abroad balance (by type and by product).

**Table 76.** Commercial Funding Abroad – Modality – US\$ million

	Jun/22	Share %	Mar/23	Share %	Jun/23	Share %	Chg. (%)	
							Jun/22	Mar/23
<b>Funding Abroad</b>	<b>27,787</b>	<b>100.0</b>	<b>28,509</b>	<b>100.0</b>	<b>31,049</b>	<b>100.0</b>	<b>11.7</b>	<b>8.9</b>
Fixed Inc. Sec. and Cert. of Deposit	13,348	48.0	10,776	37.8	10,919	35.2	(18.2)	1.3
Interbanking Deposits and Loans	5,665	20.4	6,960	24.4	7,893	25.4	39.3	13.4
Companies	5,436	19.6	5,964	20.9	6,691	21.5	23.1	12.2
Individuals	2,997	10.8	3,878	13.6	3,861	12.4	28.8	(0.4)
Repo	341	1.2	931	3.3	1,685	5.4	–	81.1



Table 77. Commercial Funding Abroad - Product – US\$ million

							Chg. (%)	
	Jun/22	Share %	Mar/23	Share %	Jun/23	Share %	Jun/22	Mar/23
<b>Funding Abroad</b>	<b>27,787</b>	<b>100.0</b>	<b>28,509</b>	<b>100.0</b>	<b>31,049</b>	<b>100.0</b>	<b>11.7</b>	<b>8.9</b>
Fixed Inc. Sec. and Cert. of Deposit	13,348	48.0	10,776	37.8	10,919	35.2	(18.2)	1.3
Time Deposits	7,151	25.7	8,589	30.1	9,095	29.3	27.2	5.9
Demand Deposits	2,536	9.1	2,628	9.2	2,967	9.6	17.0	12.9
Loans	2,409	8.7	3,534	12.4	4,081	13.1	69.4	15.5
Savings Deposits	857	3.1	988	3.5	985	3.2	14.8	(0.4)
Over	826	3.0	509	1.8	610	2.0	(26.1)	19.8
Repo	341	1.2	931	3.3	1,685	5.4	–	81.1
Call Account	261	0.9	371	1.3	422	1.4	61.5	13.8
Pledge	57	0.2	182	0.6	285	0.9	–	56.5

## Sources and Uses

The indicators presented in the following table shows the relation between funding sources and investments at Banco do Brasil. BB aims to diversify its funding sources by offering attractive alternatives to customers and providing a reduction in the funding cost for the Bank.

The loan portfolio remains the main use of funding with a share of 85.7% of total uses. The following

table also shows the relation between the adjusted loan portfolio and the commercial funding, which disregards the credit originated by domestic onlendings.

More information on the Bank's liquidity can be found in the Risk Management Report, available at <https://ri.bb.com.br/en/>.



Table 78. Sources and Uses – R\$ million

							Chg. (%)	
	Jun/22	Share %	Mar/23	Share %	Jun/23	Share %	Jun/22	Mar/23
<b>Sources (a)</b>	<b>983,774</b>	<b>100.0</b>	<b>1,036,151</b>	<b>100.0</b>	<b>1,075,599</b>	<b>100.0</b>	<b>9.3</b>	<b>3.8</b>
<b>Commercial Funding</b>	<b>878,995</b>	<b>89.3</b>	<b>931,590</b>	<b>89.9</b>	<b>976,425</b>	<b>90.8</b>	<b>11.1</b>	<b>4.8</b>
Time Deposits	390,258	39.7	442,025	42.7	456,908	42.5	17.1	3.4
Savings Deposits	216,894	22.0	206,768	20.0	205,953	19.1	(5.0)	(0.4)
Demand Deposits	110,974	11.3	101,579	9.8	105,334	9.8	(5.1)	3.7
Interbank Deposits	26,550	2.7	24,135	2.3	24,832	2.3	(6.5)	2.9
Letters of Credit – Agribusiness	109,061	11.1	137,335	13.3	161,468	15.0	48.1	17.6
Letters of Credit – Real Estate	12,877	1.3	12,075	1.2	13,974	1.3	8.5	15.7
Sec. sold under Rep. Agr. – Private Sec.	12,046	1.2	7,321	0.7	7,620	0.7	(36.7)	4.1
Other Deposits	334	0.0	352	0.0	336	0.0	0.7	(4.5)
<b>Sources - Overseas</b>	<b>84,983</b>	<b>8.6</b>	<b>82,489</b>	<b>8.0</b>	<b>77,221</b>	<b>7.2</b>	<b>(9.1)</b>	<b>(6.4)</b>
Issuance of Securities – Overseas	36,235	3.7	36,585	3.5	38,113	3.5	5.2	4.2
Perpetual Bonds – Overseas	28,529	2.9	27,153	2.6	18,854	1.8	(33.9)	(30.6)
Borrowings – Overseas	16,237	1.7	18,752	1.8	20,253	1.9	24.7	8.0
Subordinated debt – Overseas	3,982	0.4	–	–	–	–	–	–
<b>Onlendings</b>	<b>48,155</b>	<b>4.9</b>	<b>43,042</b>	<b>4.2</b>	<b>42,242</b>	<b>3.9</b>	<b>(12.3)</b>	<b>(1.9)</b>
<b>Subordinated Debts</b>	<b>20,550</b>	<b>2.1</b>	<b>20,112</b>	<b>1.9</b>	<b>20,446</b>	<b>1.9</b>	<b>(0.5)</b>	<b>1.7</b>
<b>Financial and Development Funds</b>	<b>32,499</b>	<b>3.3</b>	<b>38,983</b>	<b>3.8</b>	<b>40,144</b>	<b>3.7</b>	<b>23.5</b>	<b>3.0</b>
<b>Perpetual Bonds</b>	<b>8,233</b>	<b>0.8</b>	<b>7,160</b>	<b>0.7</b>	<b>7,221</b>	<b>0.7</b>	<b>(12.3)</b>	<b>0.8</b>
<b>Other (Cert. of Struct. Oper. + Fin. Letters)</b>	<b>4,217</b>	<b>0.4</b>	<b>7,769</b>	<b>0.7</b>	<b>9,036</b>	<b>0.8</b>	<b>114.3</b>	<b>16.3</b>
<b>Comp. Dep. with Brazilian Central Bank</b>	<b>(93,856)</b>	<b>(9.5)</b>	<b>(94,995)</b>	<b>(9.2)</b>	<b>(97,135)</b>	<b>(9.0)</b>	<b>3.5</b>	<b>2.3</b>
<b>Uses</b>	<b>983,774</b>	<b>100.0</b>	<b>1,036,151</b>	<b>100.0</b>	<b>1,075,599</b>	<b>100.0</b>	<b>9.3</b>	<b>3.8</b>
<b>Available Funds (a-b)</b>	<b>170,306</b>	<b>17.3</b>	<b>120,980</b>	<b>11.7</b>	<b>154,041</b>	<b>14.3</b>	<b>(9.6)</b>	<b>27.3</b>
<b>Classified Loan Portfolio (b)</b>	<b>813,468</b>	<b>82.7</b>	<b>915,170</b>	<b>88.3</b>	<b>921,558</b>	<b>85.7</b>	<b>13.3</b>	<b>0.7</b>
<b>Classified Loan Portfolio/Total Deposits</b>	<b>109.2</b>		<b>118.1</b>		<b>116.2</b>			
<b>Classif. Loan Portf./Commercial Funding</b>	<b>92.5</b>		<b>98.2</b>		<b>94.4</b>			
<b>Classified Loan Portfolio/Uses</b>	<b>82.7</b>		<b>88.3</b>		<b>85.7</b>			
<b>Domestic Onlending Loans (c)</b>	<b>101,322</b>	<b>100.0</b>	<b>99,687</b>	<b>100.0</b>	<b>100,108</b>	<b>100.0</b>	<b>(1.2)</b>	<b>0.4</b>
Onlendings – Domestic	48,155	47.5	43,042	43.2	42,242	42.2	(12.3)	(1.9)
Financial and Development Funds	32,499	32.1	38,983	39.1	40,144	40.1	23.5	3.0
FCO Resources	20,536	20.3	17,602	17.7	17,602	17.6	(14.3)	–
Domestic Instruments Eligible as Capital	133	0.1	60	0.1	121	0.1	(9.0)	100.7
<b>Adjusted Loan Portfolio (b-c)</b>	<b>712,146</b>		<b>815,483</b>		<b>821,450</b>		<b>15.3</b>	<b>0.7</b>
<b>Adj. Loan Portf./Commercial Funding</b>	<b>81.0</b>		<b>87.5</b>		<b>84.1</b>			



In April 2023, we issued our second international bond within the scope of the Sustainable Finance Framework. The international funding of senior debt, of the Sustainability bond type, in the amount of US\$ 750 million, matures on April 18, 2030, and has a coupon of 6.250% p.a. The funds raised will be allocated to renewable energy projects and to financing micro and small businesses, especially those led by women.

On April 15, 2023, BB repurchased the subordinated instrument (call option) issued abroad that was authorized by the Central Bank to compose the Tier I capital, in the amount of US\$ 1.285 billion and coupon of 9.25% p.y. On April 19, 2023, BB also settled a senior instrument abroad in the amount of US\$ 750 million, coupon of 4.875% p.y.

The following table shows the fixed income securities issued by BB in the international capital market.

**Table 79.** Current Bonds Issued Abroad

Issue Date	Maturity	Issued Amount (US\$ K)	Outstanding Amount (US\$ K)	Coupon <sup>1</sup> (%)	Issue Price	Return for Investor (%)	Spread over Treasury	Currency	Rating S&P/Moody's /Fitch
<b>Banco do Brasil Issues</b>									
01/31/2013	PERPETUAL	2,000,000	1,764,000	6.250 S	100.00	6.25	439.8	USD	CCC+ / SR / SR
06/18/2014	PERPETUAL	2,500,000	2,120,000	9.000 S	100.00	9	636.2	USD	CCC+ / B2 / SR
10/23/2017	01/15/2025	1,000,000	1,000,000	4.625 S	99.55	4.7	250.9	USD	BB- / Ba2 / BB-
03/20/2019	03/20/2024	750,000	750,000	4.750 S	100.00	4.75	232	USD	BB- / Ba2 / SR
09/30/2021	09/30/2026	750,000	750,000	3.250 S	100.00	3.25	244.5	USD	SR / Ba2 / BB-
01/11/2022	01/11/2029	500,000	500,000	4.875 S	99.56	4.95	328.7	USD	SR / Ba2 / BB-
04/18/2023	04/18/2030	750,000	750,000	6.25 S	98.61	6.5	301.8	USD	SR / Ba2 / BB-
<b>Special-Purpose Entity Issues</b>									
Issue Date	Maturity	Issued Amount (US\$ K)	Outstanding Amount (US\$ K)	Coupon <sup>1</sup> (%)	Issue Price	Return for Investor (%)	Spread over Treasury	Currency	Rating S&P/Moody's /Fitch
07/02/2019	06/15/2024	100,000	33,333	1.20 + 3mL Q	100.00	1.20 + 3mL	NA	USD	BBB
07/02/2019	06/15/2024	100,000	33,333	1.20 + 3mL Q	100.00	1.20 + 3mL	NA	USD	BBB
07/02/2019	06/15/2026	200,000	120,000	3.70 + 3mL Q	100.00	3.7	NA	USD	BBB
12/06/2022	12/15/2029	750,000	750,000	2.75 Q	100.00	2.75 + 3mL	NA	USD	BBB
12/06/2022	12/15/2032	150,000	150,000	6.65 + 3mL Q	100.00	6.65 + 3mL	NA	USD	BBB
12/09/2014	11/01/2034	500,000	500,000	2.50 + 6mL S	100.00	2.50 + 6mL S	NA	USD	AA-
12/23/2015	12/16/2030	320,000	320,000	3.20 + 6mL S	100.00	3.20 + 6mL S	NA	USD	AA-

(1) A: Annual; S: Semiannual; Q: Quarterly.





# 9.

## Investment Advisory Services

Banco do Brasil has established a commitment to democratize investments, while seeking to offer the best experience to investors. The value of specialization is a fundamental pillar, acting with synergy between human and digital advice, within a context that requires specialization with exclusivity and scalability to offer all clients the best strategies and products to invest.

The regional presence and capillarity of the Bank's service model are competitive differentials. The fronts of action involve improving customer experience and satisfaction with investment advisory solutions, monetization and loyalty through a qualified and centralized offer adhering to the needs and profile of each investor, expanding the investor client base with a sustainable increase in revenues and diversifying the Conglomerate's funding sources.



# Performance pillars

Banco do Brasil's investment advisory model aims to privilege the interests and objectives of clients and, thus, promote sustainable results. Managers and specialists are evaluated by indicators that measure client satisfaction and the balance invested, regardless of the products, which reinforces the investor-centered vision and the impartiality of the investment recommendations.

## Complete, accessible, and competitive portfolio

The strategy of providing excellent investment advice involves offering a complete and diversified portfolio for all investors.

In 2004, Banco do Brasil began the process of opening up the architecture of investment products, making funds from other asset management companies available to Private clients. In 2017, the same movement reached Retail clients.

In addition, Banco do Brasil revitalized the BB Asset investment funds offered, with initiatives such as the merger of funds with similar characteristics (simplification), the reduction of management fees (profitability), the launch of new sophisticated funds (diversification), the opening of funds in the Style segment for retail clients and the reduction of entry fees (democratization).

The diversification strategy included the expansion of the third-party portfolio. New Investment Funds managed by other assets were launched in the period, bringing our clients the ease of diversification using Banco do Brasil's channels. Today, Banco do Brasil operates on an open platform with more than 50 funds from other managers available to Private and Retail audiences, reinforcing BB's commitment to the process of democratizing access to investment products.

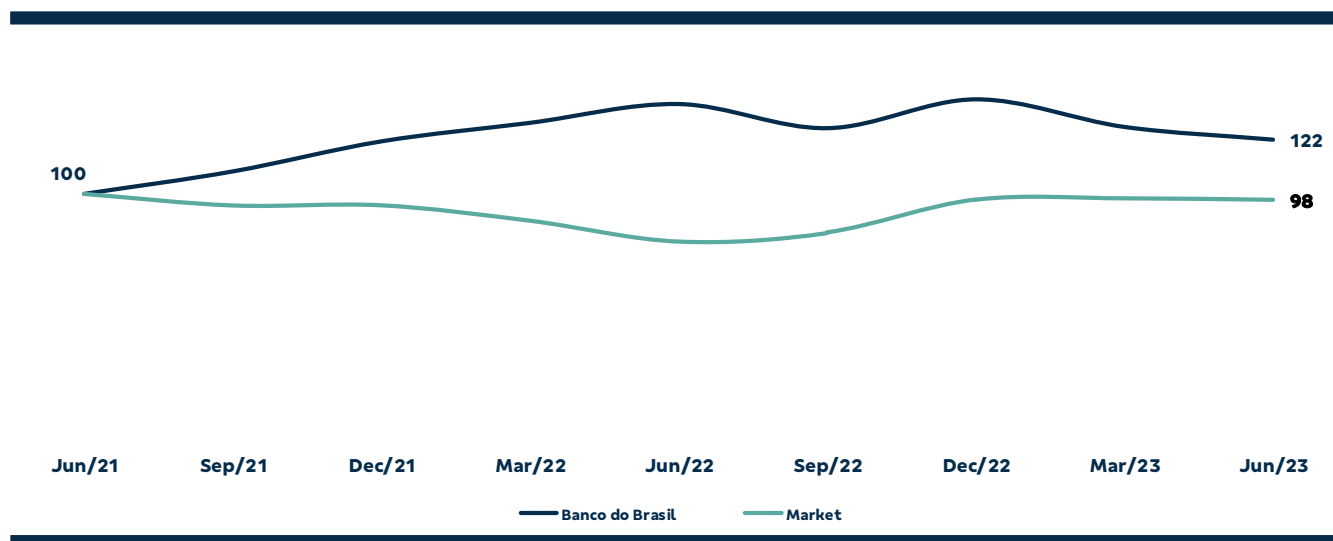
This expansion extends to other products, such as CRIs, CRAs, Debentures and funding products from other institutions, which in this first half of 2023 presents a balance of R\$ 9.8 billion representing a growth of 67.6% in the volume traded when compared to the same period in 2022.

The offer of products follows an allocation strategy by suggested portfolios customized according to the investor profile, determined by the API questionnaire, which seeks to maximize the risk x return ratio between assets, also considering analysis of economic scenarios.

Given the current market conditions, there is an increase in the allocation of resources in post-fixed products, linked to the CDI, such as fixed income funds and LCA. In this context, RF funds presented an evolution of R\$9.37 billion in 2023, representing 21.4% when compared to the same period of 2022 and LCA reached a record balance, representing 40% of the market share, being fundamental for the record harvest plan of 2023, reinforcing BB's role in supporting agribusiness.



**Figure 60.** Evolution of Fixed Income and LCA Funds' Net Asset Value as of (Base 100 – 2Q22) – Retail and Style Segment



In addition to the suggested portfolios aimed at conservative, moderate, bold and aggressive profiles, specific portfolios of stocks, Real Estate Funds, Pension Funds, Treasury Direct and BDRs are also available, which complement the asset allocation vision.

## Human Advisory

The availability of more sophisticated and accessible products is combined with investment advice.

All BB branches have professionals certified by Anbima (CPA-10 and/or CPA-20) to offer investment products. In all, there are more than 40 thousand certified professionals in the institution. The employees who work in customer service are supported by automated tools to assist in offering products and personalized investment portfolios, according to the investor's profile and objectives.

In October 2022, the Bank's relationship model, based on a new improvement, started to include specialized advice to all clients classified in the investor niche, that is, who have at least R\$ 150 thousand in investments, enhancing the realization of business with our investors.

Advice is provided by investment professionals with ANBIMA Certification, linked to the Investment Advisory Management (Geinv) and Investor Style offices, covering more than 1 million clients.

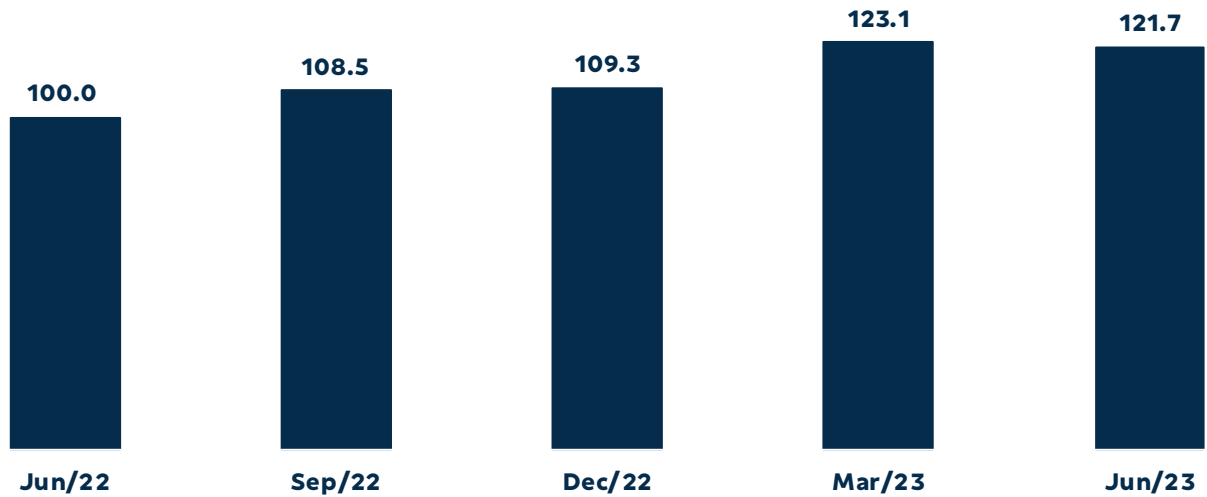
In 2021, the model was reformulated and expanded the number of portfolios and offices. Currently, BB has about 1,400 professionals working in these structures. In addition to the specialized service to PF High Income clients, investment advice is also provided to Agro clients, RPPS (Private Social Security Regimes), Wholesale Companies and Micro and Small Companies.

From the evolution in the model, we can observe the results of the performance of these investment professionals in the clients' experience. In the first half of 2023, there was a 21.7% increase in satisfaction levels compared to the



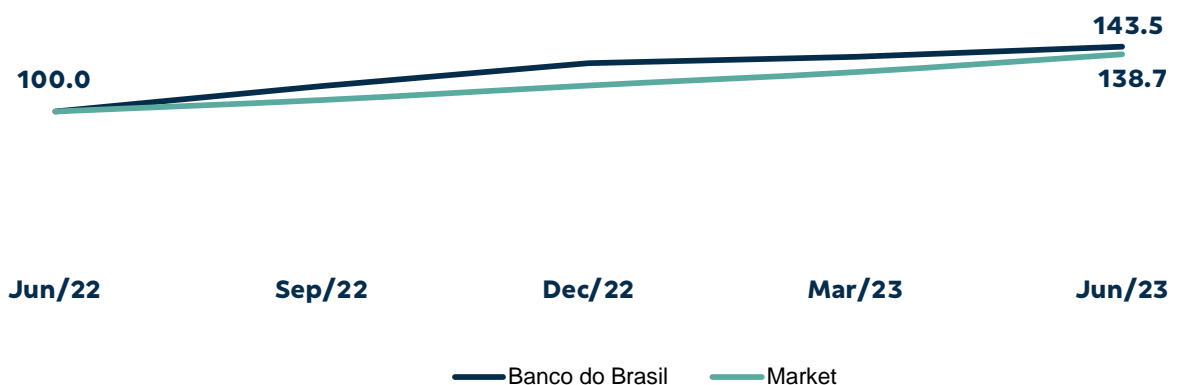
first half of the previous year, which demonstrates that the model has been efficient in its objective of providing quality advice to investors.

Figure 61. Evolution of customer satisfaction levels High Income Investors (Base 100 – 2Q22)



BB provides a qualified offer of sophisticated products to investors, allowing more diversification in their portfolio and bringing the opportunity for better returns on their investments. As an example, the 43.5% growth in the balance of private credit products (CRA, CRI and debentures) in the High Income Retail segment since 2Q22.

Figure 62. Balance of specific products in the High Income Retail segment (Base 100 Jun/22).





## Digital Solutions

Banco do Brasil has been working intensively on the development of self-service solutions.

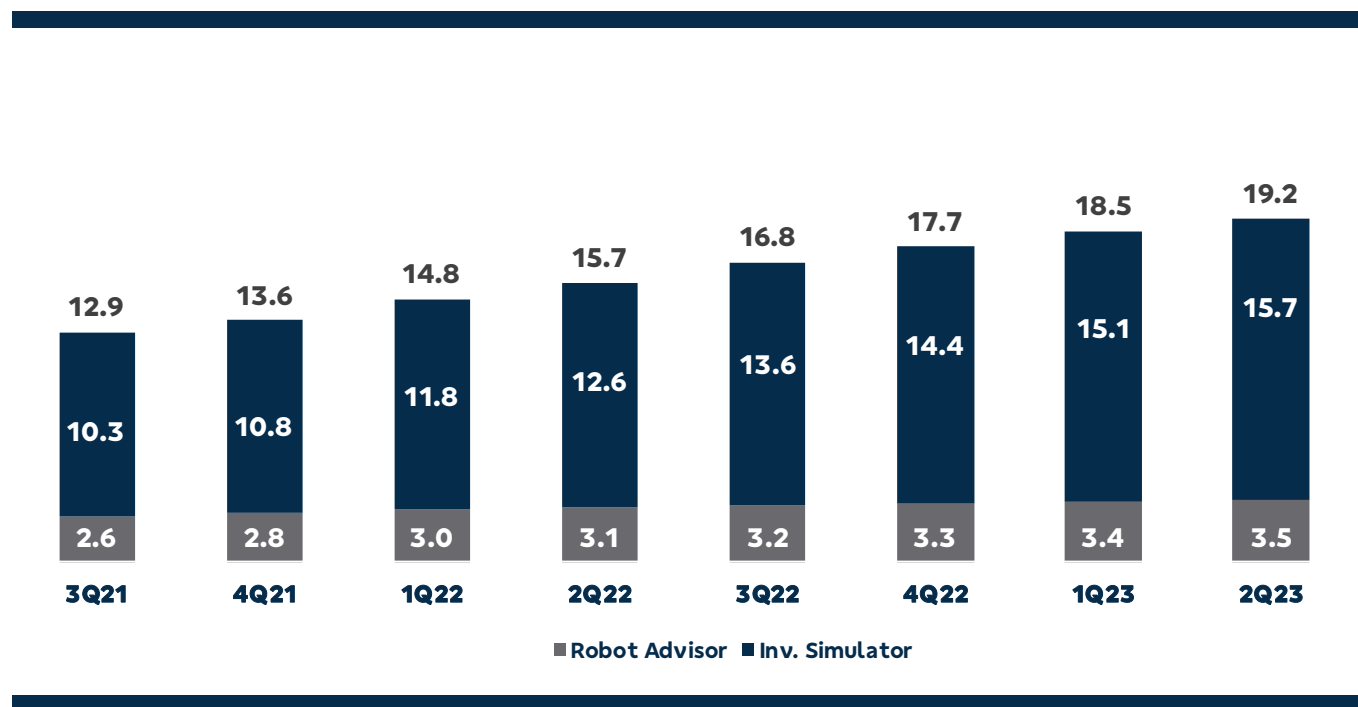
Combining the use of agile methodologies with the application of algorithms and investor profile analysis, digital solutions bring precision to the suggestion of portfolios suited to the client's objectives and moments of life, in addition to allowing the scalability of investment advice to the entire Banco do Brasil retail public.

The development of the Robot Advisor made it possible to automate investment advice on a large scale. Since its launch in the second half of 2019, the solution, known as "Investing with a Purpose", has raised more than BRL 3.5 billion, with 40% of the investments made in products that contribute to portfolio diversification.

Precursor of the Robot Advisor, the Investment Simulator, launched in 2017, represents an important solution for expanding the investor base and promoting the financial education of BB's clients.

The two digital advisory solutions have already shown solid commercial results, in addition to simplifying access to diversification products, as shown below.

**Figure 63.** Volume Contracted by Robot Advisor and Investment Simulator (Accumulated) – R\$ billion





## New Investment Platform

Banco do Brasil recently launched its new investment platform, based on three main fronts **i) Hub InvesTalk; ii) New app Investimentos BB; iii) Digital advice via WhatsApp.**

InvesTalk is a content hub that offers society (clients or not) articles, videos, podcasts, reports and analysis on economics, market, financial education and suggestions on where and how to invest, as well as special Sustainability and Technology editorials. The content displayed is curated by BB specialists so that the material is relevant and contributes to people's education. In partnership with Broadcast, InvesTalk also provides real-time information, quotes and has a team of journalists to produce exclusive articles.

By the end of 2Q23, in a little over a month of launch, InvesTalk reached the mark of 114 thousand contents accessed and in its playlist on BB's Youtube channel it has already surpassed the mark of 45 million views.

InvesTalk can be accessed by anyone at [investalk.bb.com.br](https://investalk.bb.com.br).

In addition, Banco do Brasil offers its investment solutions in two main digital channels: BB app and BB Investments app. Considering the necessary specialization required by clients, BB launched in June a new version of its specialized investment channel, transforming the BB Investments app into an advisory and relationship platform for investors. This new version includes three important axes: i) consolidated investment management; ii) access to content and news from the InvesTalk Hub; iii) specialized advice – human and digital.

Consolidated investment management allows clients to monitor the position of their asset portfolio at B3 or the savings balance at other banks, a vision that will be expanded to other investment products with the advancement of the next phases of Open Finance (October/23).

The integration with the InvesTalk Hub allows the client to access relevant information for their investment decisions also in a logged environment, providing speed to the client and loyalty to BB as a provider of secure information and business platform.

And through digital advisory solutions, the client has the option to receive product recommendations and suggested portfolios directly on their cell phone, 24 hours a day, 7 days a week. For clients who wish to contact the human specialist, it is possible through an integrated tool in the app to directly activate the investment manager / specialist, providing the client with a fluid journey between digital and human.

The construction of the new BB Investments app, in addition to offering the customer a new, more modern and intuitive browsing experience, improvements in important functionalities and new applications, has undergone a structural technological reformulation. These changes will allow new decentralized and more agile developments, ensuring a constant and rapid evolution of functionalities. This reinforces the synergy between the business and technology areas, a defining characteristic of Banco do Brasil that keeps the institution at the forefront of financial market innovations.

Through the Digital Acceleration project, Banco do Brasil improved the BB Assistant on WhatsApp in the quest to democratize access to investment advice.



Today, BB clients can i) discover their investor profile; ii) check the balance and statement of their financial investments; iii) renew products such as LCA and LCA; iv) have access to digital advisory solutions such as investment simulator and invest with a Goal and v) access the contents of InvesTalk. And for those who do not give up human advice, the possibility of overflow to the manager, investment specialist or relationship center is offered, according to the customer segment.

This digital advisory solution in one of the main messaging channels in the world, allows the client an integrated journey between their "day to day" and the world of investments, contributing to the inclusion of the theme in society and provides business scalability for BB.



## 10.

# Financial Services

Banco do Brasil offers its customers a wide variety of financial solutions that meet the different needs of individuals and organizations, seeking to deliver the best experience, in a fast, secure, and agile manner, through its vast network of offices or digitally.

BB's solutions are aligned with the life moment and the demands of its public and included payment services, which have a broad portfolio of solutions for individuals, companies, agribusiness, and government, and asset management through a variety of investment products, capital markets, as one of the main sources of financing productive activity in the country and the offer of different funding instruments, and the flexibility offered by the consortia.





# Payment Methods

Banco do Brasil is one of the leaders in the e-payments segment in the country, always investing heavily in technology and in the full satisfaction of its customers, providing varied and complete products and services to meet the diverse interests.

With a focus on quick and efficient service, BB is constantly improving its various channels, offering security and fluidity through self-service on the Internet, Banco do Brasil App, Ourocard App, WhatsApp, and call center.

BB also actively makes available and offers its customers the latest technologies on the market, providing agility and security in transactions, in addition to contributing to the reduction in the consumption of various resources.

## Cards Base and Turnover

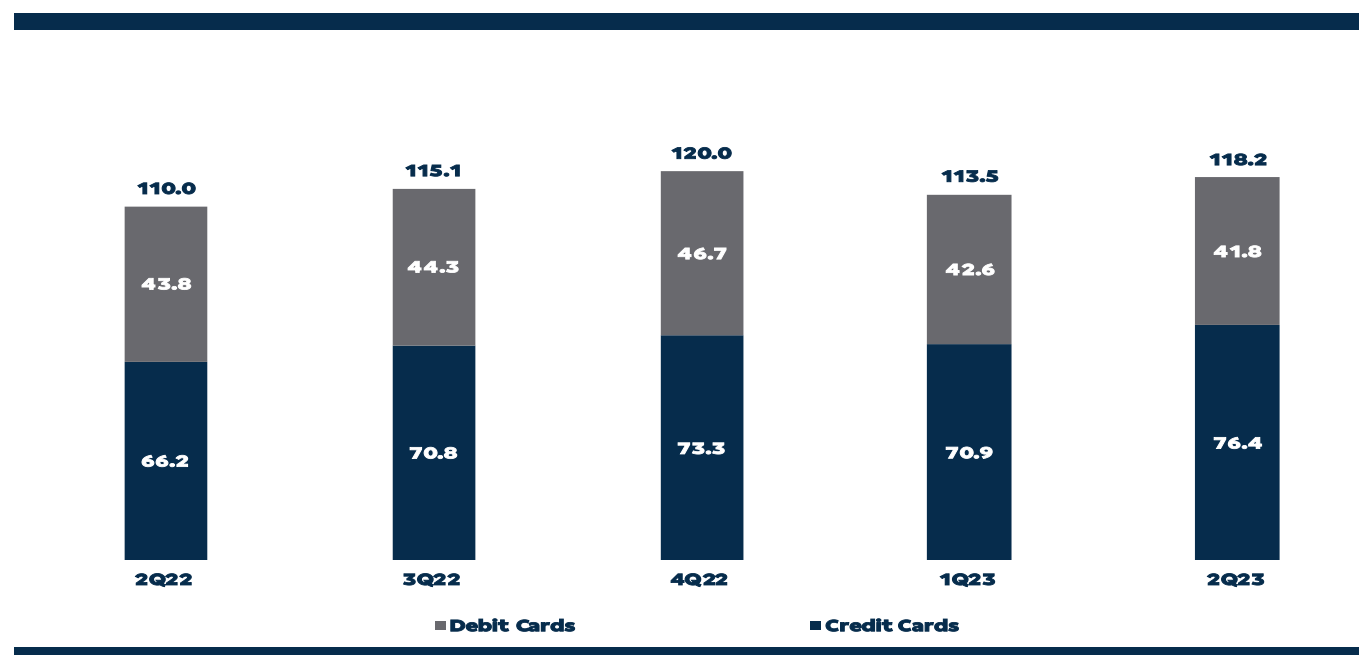
Table 80. Cards Base – Recurring Use<sup>1</sup> – million

	2Q22	3Q22	4Q22	1Q23	2Q23	Chg. (%)	
						2Q22	1Q23
Credit Cards	13.0	13.0	12.7	12.2	11.9	(8.6)	(2.5)
Debit Cards	15.5	15.4	15.3	15.2	15.1	(2.6)	(0.4)

(1) At least one use in the quarter.

Banco do Brasil's card base with recurring use is made up mostly of plastic cards with multiple functions (debit and credit).

Figure 64. BB's Cards Turnover – R\$ billion





## Cards Business Income

Table 81. Cards Business Income – R\$ million

	2Q22	3Q22	4Q22	1Q23	2Q23	Chg. (%)	
						2Q22	1Q23
<b>Net Income<sup>1</sup></b>	<b>84</b>	<b>241</b>	<b>424</b>	<b>647</b>	<b>778</b>	<b>828.0</b>	<b>20.2</b>
Net Income with BB issuance <sup>2</sup>	(596)	(420)	(216)	(10)	(96)	(83.8)	882.7
Other Cards Results <sup>3</sup>	680	661	640	657	874	28.5	33.0

(1) Taxes calculated managerially for all lines, except equivalence; does not consider the result of cards abroad.

(2) Financial revenue, fee and others. Expenses with relationship program, ALLL expenses and others.

(3) Result of equity investments.

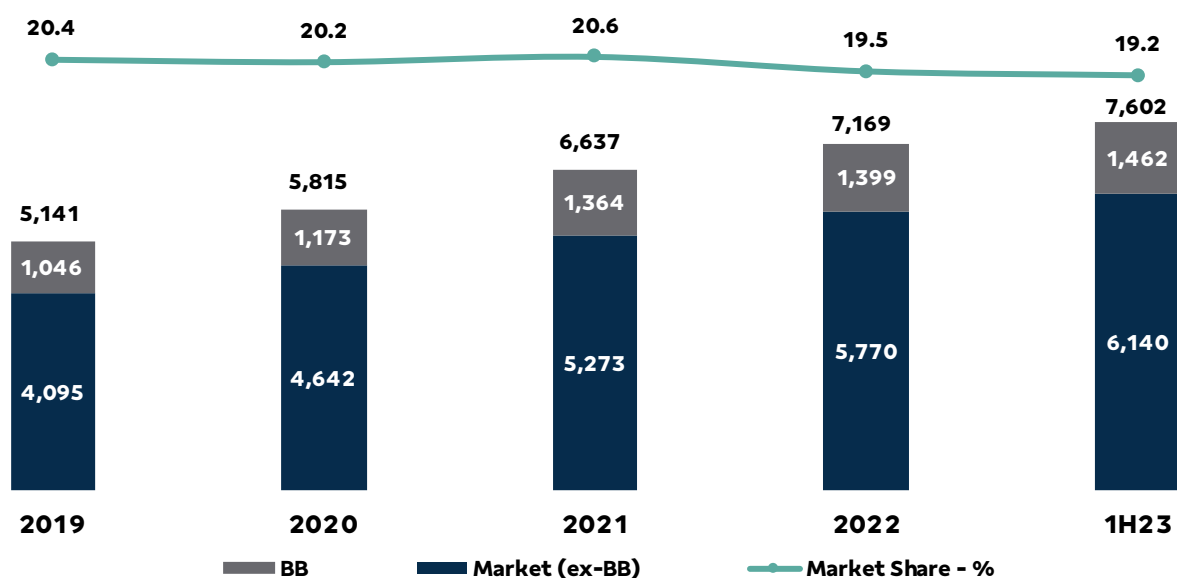


# Asset Management

The main activities of BB Asset include administration, management of funds and managed portfolios.

The following chart presents asset management’s balance and BB Asset market share in the Resource Management and Global Fund Administration of the Anbima Ranking (Brazilian Financial and Capital Markets Association).

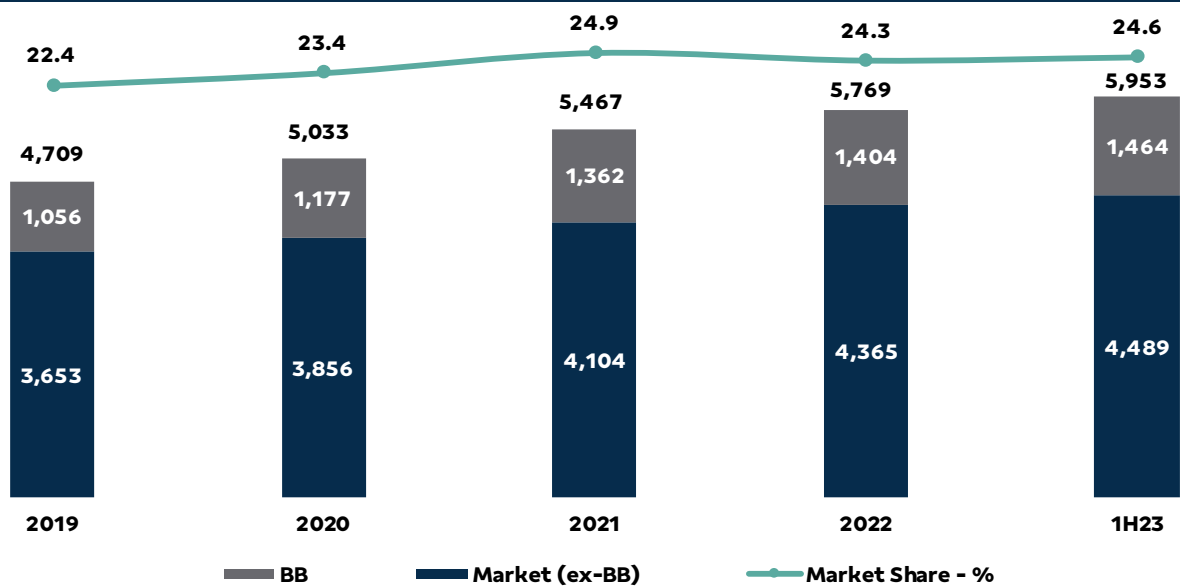
Figure 65. Resource Management and Market Share – R\$ billion



BB Asset remained as the leader in the investment fund industry according to Anbima's Investment Fund Management Ranking. BB Asset.



Figure 66. Fiduciary Management and Market Share – R\$ billion



Source: Anbima.

BB Asset maintained its leadership in the Institutional Investors, Public Sector, RPPS and Traditional Retail segments.



**Table 82.** Investment Funds and Managed Portfolio by Segment – R\$ million

							<b>Chg. (%)</b>	
	<b>Jun/22</b>	<b>Share %</b>	<b>Mar/23</b>	<b>Share %</b>	<b>Jun/23</b>	<b>Share %</b>	<b>Jun/22</b>	<b>Mar/23</b>
<b>Total</b>	<b>1,485,091</b>	<b>100.0</b>	<b>1,462,471</b>	<b>100.0</b>	<b>1,462,097</b>	<b>100.0</b>	<b>(1.5)</b>	<b>(0.0)</b>
Institutional Investors	470,212	31.7	499,229	34.1	517,399	35.4	10.0	3.6
Government	520,646	35.1	509,897	34.9	503,263	34.4	(3.3)	(1.3)
Retail	82,832	5.6	79,445	5.4	82,803	5.7	(0.0)	4.2
High income	92,554	6.2	101,231	6.9	101,946	7.0	10.1	0.7
Others	318,848	21.5	272,669	18.6	256,687	17.6	(19.5)	(5.9)

Source: Anbima.

**Table 83.** Investment Funds and Managed Portfolio by Anbima's Categories<sup>1</sup> – R\$ million

							<b>Chg. (%)</b>	
	<b>Jun/22</b>	<b>Share %</b>	<b>Mar/23</b>	<b>Share %</b>	<b>Jun/23</b>	<b>Share %</b>	<b>Jun/22</b>	<b>Mar/23</b>
<b>Total</b>	<b>1,485,091</b>	<b>100.0</b>	<b>1,462,471</b>	<b>100.0</b>	<b>1,462,097</b>	<b>100.0</b>	<b>(1.5)</b>	<b>(0.0)</b>
<b>Investment Fund</b>	<b>1,488,485</b>	<b>100.0</b>	<b>1,464,737</b>	<b>100.0</b>	<b>1,463,886</b>	<b>100.0</b>	<b>(1.7)</b>	<b>(0.1)</b>
Fixed	1,028,118	69.1	1,039,557	71.0	1,032,973	70.6	0.5	(0.6)
Equity	22,122	1.5	19,263	1.3	20,528	1.4	(7.2)	6.6
Multimarket	45,770	3.1	37,808	2.6	38,568	2.6	(15.7)	2.0
Others <sup>2</sup>	392,475	26.4	368,110	25.1	371,816	25.4	(5.3)	1.0
<b>Managed Portfolios</b>	<b>22,802</b>	<b>1.5</b>	<b>17,771</b>	<b>1.2</b>	<b>17,747</b>	<b>1.2</b>	<b>(22.2)</b>	<b>(0.1)</b>
<b>Thirty-party Funds</b>	<b>(26,195)</b>	<b>(1.8)</b>	<b>(20,037)</b>	<b>(1.4)</b>	<b>(19,535)</b>	<b>(1.3)</b>	<b>(25.4)</b>	<b>(2.5)</b>

(1) Data on the Anbima's distribution by categories are disclosed without deduction of own and third-party quotas, which in June 2023 was R\$19.5 billion; (2) Includes Pension, Exchange, FIDC, FIP, ETF, Real Estate and Off Shore funds. Source: Anbima



## Portfolio with ESG characteristics

BB Asset reaffirms its commitment to good social, environmental and governance (ESG) practices, and continues to make progress in generating sustainable business.

Currently BB Asset manages investment funds with social and environmental characteristics. The following table details the balance of main managed funds.

**Table 84.** Investment Funds with Social Environmental Characteristics Management – R\$ million

	Jun/22	Mar/23	Jun/23	Chg. (%)	
				Jun/22	Mar/23
<b>Total</b>	<b>4,147</b>	<b>3,196</b>	<b>3,405</b>	<b>(17.9)</b>	<b>6.5</b>
BB Ações ESG FI Ações BDR	1,389	1,271	1,282	(7.7)	0.8
BB Ações Governança	850	719	810	(4.6)	12.7
BB Nordea Global Climate and Environment IE	674	535	514	(23.7)	(4.0)
BB Top ASG FI Multimercado LP	184	163	196	6.6	20.7
BB MM LP Global Vita Private FI	253	143	151	(40.2)	5.7
BB Equidade FI	118	89	97	(17.6)	10.0
BB MM Global Green Pvt	177	90	94	(47.0)	3.7
Brasilprev Top ASG Multi IE Cred	297	39	80	(73.1)	106.4
Brasilprev Top ASG Brasil FI Ações	49	23	48	(0.8)	109.3
BB Top Nordea Global Climate and Environment I	28	28	25	(8.8)	(8.6)
BB BrL Lyxor Bridgewater AW Sust IE FIC MM	43	27	23	(46.4)	(14.5)
BB Ações Sustentabilidade	20	15	18	(7.8)	17.8
BB Ações ASG Brasil	8	15	18	116.4	21.2
BB Top Carbono FI Multimercado LP	34	18	17	(49.5)	(5.8)
BB Nordea Global Disruption ESG IE	24	18	17	(29.8)	(9.1)
Other	–	2	13	–	448.4

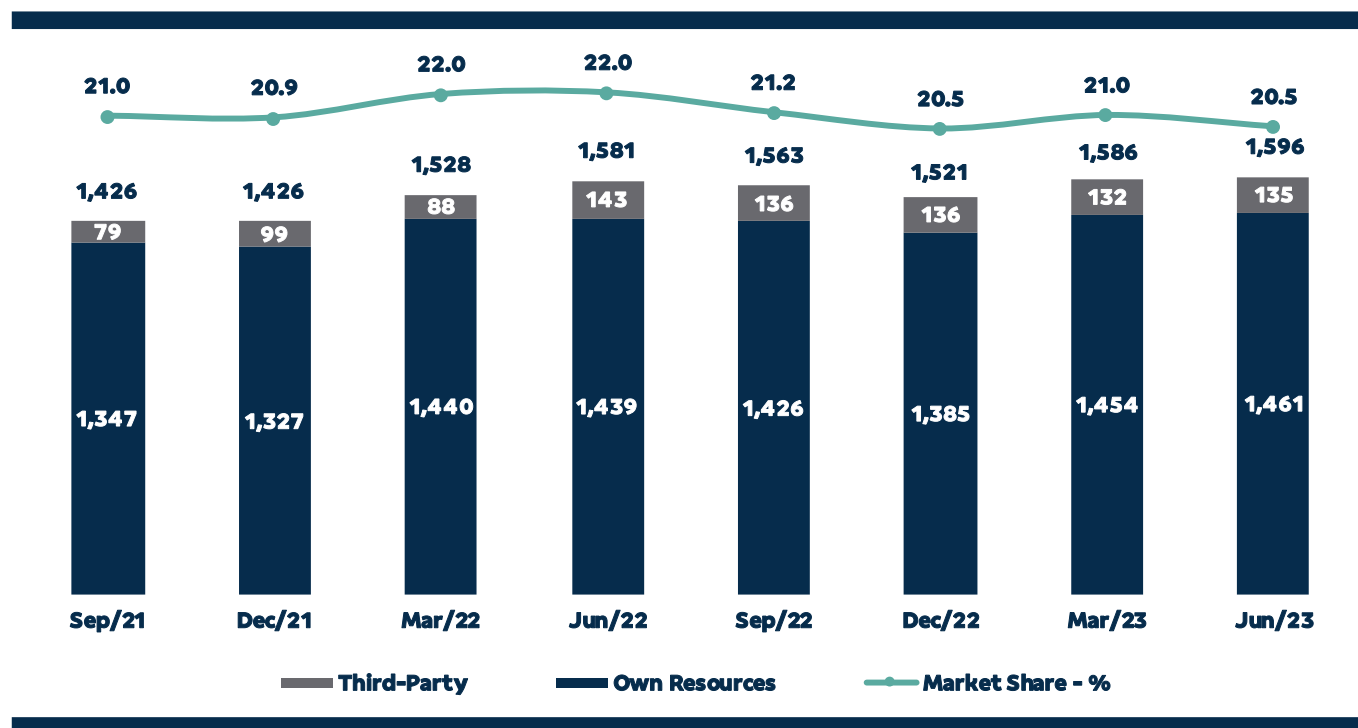
Source: Brazilian Securities and Exchange Commission – CVM



# Custody

Banco do Brasil is one of the main leaders in the asset custody industry. The following figure presents the performance of the assets in custody at Banco do Brasil.

Figure 67. Total Domestic Custody Assets and Market Share – R\$ billion



Source: Anbima.



## Capital Market

Capital market is one of the main funding sources for production activities in economies worldwide. Funding instruments not only enable companies to grow, but also contribute to dilute the risk of new investments.

Banco do Brasil has a presence in the Brazilian capital market through its wholly owned subsidiary, BB – Banco de Investimento S.A. (BB-BI) and the Joint Venture UBS BB Investment Bank (UBS BB).

In the portfolios of BB-BI and UBS BB are services that involve market research, structuring and distribution of operations, liquidation, and custody of assets, as well as products and services for individuals and companies.

The main products and services are described below:

**Fixed Income Domestic Market and Securitization:** Coordination, structuring and distribution services for debentures, commercial promissory notes, financial bills, credit rights investment funds, real estate receivables certificates and agribusiness receivables certificates.

**Fixed Income International Market:** Acting in the coordination, structuring and distribution of new securities and debt management processes of debt management for companies, banks, and governments through UBS brokers, providing a global presence in capital markets.

**Equity:** Advisory service in all stages of shares public offerings. It also operates in the structuring and distribution of Real Estate Investment Funds (*Fundos de Investimentos Imobiliários – FII*). For individual investors, variable income portfolio covers share buy/sell service, and for private investors it also covers share rental service.

**Advisory in mergers, acquisitions, and project finance:** Financial advice on divestitures, corporate reorganizations (mergers, spin-offs and M&A), private placements for companies and project finance.





## Consortium

According to the most current data released by the Brazilian Association of Consortium Administrators – ABAC, the consortium market reached R\$115.5 billion in commercialized credits between January and May 2023, 20.2% higher than in the same period of 2022. It is also worth mentioning the new record of participants in the Consortium System, with 9.6 million consortium members, a growth of 10.9% in the last 12 months.

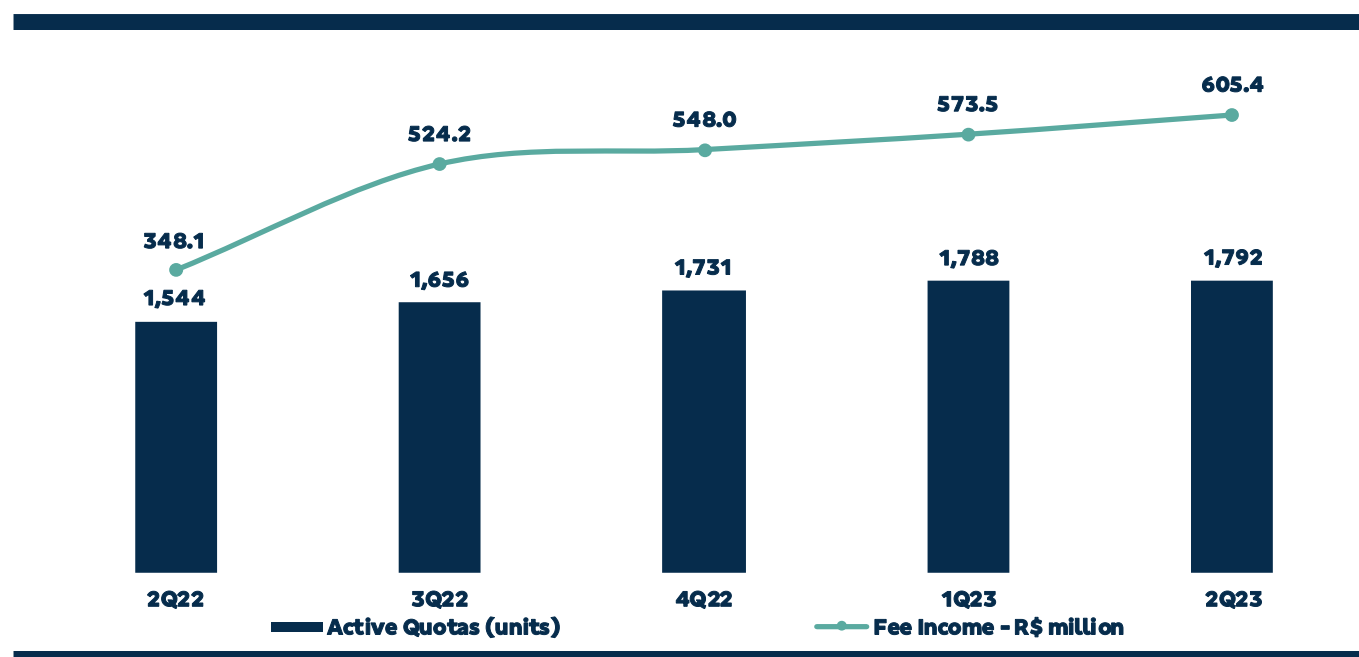
Between January and May of this year, 1.6 million new consortium quotas were sold. In this period an expansion of 8.7% in relation to last year. In this period, R\$33.3 billion in credits were made available, up 18.1% in relation to the previous period.

Banco do Brasil operates in the consortium market through its subsidiary, BB Administradora de Consórcios S.A. (BB Consórcios), which, in the quarter, had a portfolio of 1.8 million active quotas.

According to the latest information released by the Central Bank, BB Consórcios has a market share, in number of quotas, of 18.5%, consolidating itself as the largest consortium administrator among those linked to financial institutions.

In 2Q23, BB Consórcios registered the sale of more than 104 thousand new consortium quotas, constituting R\$8.5 billion, up 10.1% compared to the same period of last year. In this period, sales in Alternative Channels (Mobile, Internet Banking and Partners) was R\$1.4 billion, against R\$1.1 billion in the same period of the previous year, up 18.5%.

Figure 68. Consortium – Fee Income<sup>1</sup> and Active Quotas



(1) It should be clarified that there was a change in accounting practice, retroactive to January 2022, where the recognition of consortium revenues moved from the cash regime to the competency regime, according to Bacen Resolution No. 120/2021 and Technical Pronouncement CPC 47, with the greatest impact in 2Q22.



**Table 85.** Consortium – Active Quotas by Modality – Thousand

							<b>Chg. (%)</b>	
	<b>Jun/22</b>	<b>Share %</b>	<b>Mar/23</b>	<b>Share %</b>	<b>Jun/23</b>	<b>Share %</b>	<b>Jun/22</b>	<b>Mar/23</b>
	<b>Total</b>	<b>1,544</b>	<b>100.0</b>	<b>1,788</b>	<b>100.0</b>	<b>1,792</b>	<b>100.0</b>	<b>16.0</b>
Auto	738	47.8	793	44.4	792	44.2	7.2	(0.2)
Motorcycle	326	21.1	328	18.3	319	17.8	(2.1)	(2.7)
Electric and Electronic Devices	175	11.3	236	13.2	225	12.6	29.0	(4.4)
Tractor/Truck	95	6.1	163	9.1	178	9.9	87.8	8.8
Mortgage	106	6.9	164	9.2	176	9.8	66.3	7.2
Services	105	6.8	104	5.8	102	5.7	(2.7)	(1.7)

**Table 86.** Consortium – Average Ticket – R\$

	<b>2Q22</b>	<b>3Q22</b>	<b>4Q22</b>	<b>1Q23</b>	<b>2Q23</b>
Mortgage	118,327	116,618	94,804	132,531	148,524
Tractor/Truck	96,789	93,746	96,325	109,838	104,064
Auto	64,191	63,614	66,189	64,926	64,781
Motorcycle	19,133	19,637	20,440	19,979	16,525
Electric and Electronic Devices	3,870	3,788	2,741	3,890	5,008

**Table 87.** Consortium – Average Term and Average Management Rate

	<b>Average Term (months)</b>			<b>Average Rate (%)</b>		
	<b>2Q22</b>	<b>1Q23</b>	<b>2Q23</b>	<b>2Q22</b>	<b>1Q23</b>	<b>2Q23</b>
Mortgage	202	201	179	20.0	25.6	25.0
Tractor/Truck	111	110	102	14.8	17.7	17.4
Auto	72	66	64	15.0	19.2	18.1
Motorcycle	64	61	61	21.4	24.7	24.0
Electric and Electronic Devices	46	41	39	25.9	30.5	29.2

## Global Treasury

Banco do Brasil has a Global Treasury Unit to, in addition to managing proprietary books and portfolios, serve its corporate and high-income customers. The structure has more than 130 trained professionals who work in areas such as financial and liquidity management, foreign exchange, derivatives, intermediation of public and private securities and sustainable funding, among others. The team relies on the Chief Economist and his Economic Advisory team to



project economic variables, build scenarios and market strategies. Furthermore, they develop customized solutions for clients, including participation in forums, meetings, podcasts, and events in general.

BB's Global Treasury is focused on carrying out business that makes the Bank the main provider of solutions for customers. Over the last few years, the Global Treasury has increased the breadth of service for products, channels (Electronic Platforms, Internet Banking, App, Branches, Telephone and Whatsapp) and number of operations with Derivatives, Foreign Exchange, Intermediation of Private Securities, Federal Public Securities and Third Party Distribution. BB Global Treasury, chosen with BB's Data Driven strategy, evolved in the use of analytical models and in the more intensive use of data, whether for managing the cash flow of the Bank Reserve and IP account, or for managing the positions of the autonomous portfolios.

BB innovated, simplified solutions, and increased daily processing capacity, with gains in scale in Intermediation of Third-Party Fundraising Products (CDB, LCA and LCI). In the Public and Private Securities business with investors, there was an increase in results of approximately 40% in 2Q23 compared to 2Q22.

In Derivatives, actions taken to leverage business resulted in a significant increase in the number of transactions, especially those involving agricultural commodities. Among the highlights, trading with Agricultural Options stands out, which increased both in volume and in the number of trades with our clients, there was an increase in the general result of Derivatives of approximately 57% in 2Q23 compared to 2Q22.

The Treasury has been negotiating Sustainable Repo and Sustainable Time Deposit (TD) operations, sustainable funding that contributes to the ESG strategy of the Bank and clients and demonstrates our commitment to environmental and social sustainability. We currently maintain a US\$240 million inventory of sustainable TD.

The Economic Advisory team expanded the availability of content on economic scenarios, becoming ever closer to customers. In 2Q23, 48 economic scenario presentations were made to internal and external customers, a presence that strengthens relationships and loyalty with external customers and dissemination with the internal public.



# 11.

## Other Information

In this chapter other information about Banco do Brasil is presented. In the first part the actuarial asset and liability arising from the benefit plans to its employees are detailed. The most significant actuarial asset is Previ Plano 1 and the most significant actuarial liability is the health plan administered by Cassi. Amounts are assessed every six months based on an actuarial valuation report and the availability of funds is subject to the fulfillment of the requirements set forth by law and regulatory authorities.

The second part presents the main information of the external network and Banco Patagonia. BB's presence abroad aims to maintain its position of reference for Brazilian companies and individuals in international markets.



# Actuarial Assets and Liabilities

## Previ

The plan's actuarial balance is measured on a semiannual basis (June and December) and contemplates: (i) the plan's surplus/deficit amount at the end of the current semester and (ii) the plan's estimated financial results of the subsequent semester, considering current service cost projections, contributions, liabilities interest costs and return on assets.

BB performs the advanced monthly recognition based on the estimated financial result of the Plan for the end of the following semester.

The most relevant differences are concentrated in the definition of the values related to Plan 1 – Previ.



Table 88. Assets Breakdown – %

	Jun/22	Sep/22	Dec/22	Mar/23	Jun/23
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Fixed Income	59.7	59.7	58.7	58.7	60.6
Variable Income	31.1	31.1	32.5	32.5	30.2
Real Estate Investments	5.5	5.5	5.4	5.4	5.6
Loans and Financing	2.7	2.7	2.6	2.6	2.7
Others	0.9	0.9	0.8	0.8	0.8
<b>Amounts Listed in Fair Value of Plan Asset</b>					
In the Entity's Own Financial Instruments	4.0	4.0	3.5	3.5	4.2
In Properties or Other Assets Used by Entity	0.6	0.6	0.6	0.6	0.7

Table 89. Main Actuarial Assumptions – %

	Jun/22	Sep/22	Dec/22	Mar/23	Jun/23
Real Discount Rate (p.y.)	9.5	9.5	8.9	8.9	7.2
Nominal Rate of Return on Investments (p.y.)	13.2	13.2	12.7	12.7	11.0



Table 90. Effects of Previ (Plano 1) Accounting – CVM Deliberation No.695/2012 – R\$ million

	2Q22	3Q22	4Q22	1Q23	2Q23
(a) Fair Value of the Plan's Assets	191,428	191,428	197,539	197,539	206,853
(b) Present Value of Actuarial Liabilities	(136,019)	(136,019)	(140,727)	(140,727)	(165,258)
<b>(c) Surplus/(Deficit) BB (a+b) x 0.5</b>	<b>27,705</b>	<b>27,705</b>	<b>28,406</b>	<b>28,406</b>	<b>20,797</b>
(d) Actuarial Assets (Initial Period)	27,992	27,705	25,244	28,406	29,438
(e) Anticipated Financial Results	542	893	893	879	879
(f) Contributions of Funds	147	147	195	154	153
(g) Actuarial Valuation	(977)	(3,500)	2,074	–	(9,672)
<b>(h) Actuarial Assets/(Liabilities) (End Period)</b>	<b>27,705</b>	<b>25,244</b>	<b>28,406</b>	<b>29,438</b>	<b>20,797</b>

(1) Refers to the sponsor's share of the surplus/(deficit). For more information, EN 29.

## Previ - Plano 1: Surplus Allocation Fund

Table 91. Previ (Plano 1) – Fundos de Utilização<sup>1</sup> – R\$ million

	2Q22	3Q22	4Q22	1Q23	2Q23
<b>Initial Balance</b>	<b>11,142</b>	<b>11,362</b>	<b>11,207</b>	<b>11,315</b>	<b>11,507</b>
Contributions to Plano 1	(147)	(147)	(195)	(154)	(153)
Restatement	367	(8)	304	345	225
<b>Closing Balance</b>	<b>11,362</b>	<b>11,207</b>	<b>11,315</b>	<b>11,507</b>	<b>11,580</b>

(1) Constituted by resources transferred from the *Fundo de Destinação* (from the surplus of the plan). It can be used by the Bank, as a form of reimbursement or as a reduction in future contributions, after complying with the requirements established by the applicable legislation. It is corrected by the actuarial target (INPC + 4.75% p.y.).



## Cassi

BB sponsors a health plan administered by Cassi, whose main purpose is to assist members and their registered beneficiaries in the coverage of their health expenses.

On July 22, 2019, the National Supplementary Health Agency (ANS) published the Operational Resolution No. 2,439, which establishes the tax office at Cassi. The ANS clarifies that the fiscal management regime is not an intervention. The agency has appointed a tax director, with no management powers at the operator, to assess Cassi's situation in person. It is up to the director to analyze the remedial measures proposed by the operator and to subsidize the ANS in its decisions. The tax office has a duration of up to 365 days and the regime may be renewed.

After 90 days subjected to a financial accounting audit, the ANS issued the Directive Instruction No. 12, on October 23, 2019, ratifying that Cassi meets the precepts required by accounting control standards and recommended two specific adjustments. Moreover, the Fiscal Director gave 30 days to present a Sanitation Program, which must imply actions and goals to revert all the noncompliance indicators.

On October 31, 2019, Banco do Brasil S.A. (BB) announced that the Board of Officers approved a new proposal for bylaw reform presented by the Deliberative Council of Cassi. The proposal intended to change the Associate Plan's cost structure and to make improvements in Cassi's governance.

On November 28, 2019, the reform proposal, submitted to its members, was approved in the voting process, held between November 18, 2019 and November 28, 2019, with additional administrative expense of R\$514 million in 2019. The proposal also provided for the early settlement by BB of a contractual obligation of R\$450.9 million related to compensation for the deficit of the Group of Indirect Dependents, amount already provisioned, which will not affect the result. Cassi's actuarial liability, calculated in accordance with CVM Deliberation No. 695 will not be affected.

The following table sets forth the evolution of Cassi's actuarial liability, pursuant to CVM Deliberation No. 695/2012.





**Table 92.** Effects of the Cassi Accounting – CVM Deliberation No.695/2012 – R\$ million

	2Q22	3Q22	4Q22	1Q23	2Q23
(a) Fair Value of the Plan's Assets	-	-	-	-	-
(b) Present Value of Actuarial Liabilities	(8,525)	(8,525)	(8,809)	(8,809)	(10,508)
<b>(c) Deficit BB <sup>1</sup> (a+b)</b>	<b>(8,525)</b>	<b>(8,525)</b>	<b>(8,809)</b>	<b>(8,809)</b>	<b>(10,508)</b>
(d) Actuarial Liabilities (Initial Period)	(8,972)	(8,525)	(9,171)	(8,809)	(8,809)
(e) Amounts recognized in statement of income	(258)	(276)	(276)	(278)	(278)
(f) BB – Amount paid	219	205	256	211	556
(g) Actuarial Valuation	487	(575)	383	67	(1,977)
<b>(h) Actuarial Liabilities (Period End)<sup>1</sup> (d+e+f+g)</b>	<b>(8,525)</b>	<b>(9,171)</b>	<b>(8,809)</b>	<b>(8,809)</b>	<b>(10,508)</b>

(1) Refers to the sponsor's share of the surplus/(deficit). For more information, EN 29.



## International Businesses

For more than 80 years working in several countries, distributed in strategic points for the realization of banking services, the Bank's external network has extensive experience in global financial markets. Whether as a resident or just a visitor, BB guarantees its customers the solidity and security of always foreign.

In addition to this structure, Banco do Brasil has an agreement with others financial institutions abroad to serve its customers. BB has more than 620 banks acting as correspondents in more than 110 countries.

**Table 93.** Foreign Service Network

Branches	Sub-Branches	Shared Services Units
<ul style="list-style-type: none"> <li>• Asuncion – Paraguay</li> <li>• Frankfurt – Germany</li> <li>• Grand Cayman – Cayman Islands</li> <li>• London – England</li> <li>• Miami – USA</li> <li>• New York – USA</li> <li>• Tokyo – Japan</li> <li>• Shanghai – China</li> </ul>	<ul style="list-style-type: none"> <li>• Hamamatsu – Japan</li> <li>• Nagoya – Japan</li> </ul>	<ul style="list-style-type: none"> <li>• BB USA Servicing Center / Orlando – USA</li> <li>• BB Europa Servicing Center / Lisbon – Portugal</li> </ul>
	Subsidiaries And Branches	Securities
	<ul style="list-style-type: none"> <li>• BB Americas / Miami – USA <sup>1</sup></li> <li>• Banco Patagonia / Buenos Aires – Argentina <sup>2</sup></li> <li>• BB AG (Aktiengesellschaft) / Vienna – Austria <sup>3</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Banco do Brasil Securities LLC – USA</li> <li>• BB Securities Ltd – England</li> </ul>

(1) Banco do Brasil Americas has branches in Miami, Lighthouse Point, Orlando and Aventura; (2) Banco Patagonia has a service network with 206 points and presence in all provinces of Argentina; (3) Besides Vienna, BB AG (Aktiengesellschaft) have branches located in Lisbon and Paris.



Table 94. Consolidated Abroad – Assets – R\$ million

	Jun/22	Mar/23	Jun/23	Chg. (%)	
				Jun/22	Mar/23
<b>Assets</b>	<b>204,928</b>	<b>197,654</b>	<b>208,451</b>	<b>1.7</b>	<b>5.5</b>
Short-term Interbank Investments	39,903	32,589	45,639	14.4	40.0
<b>Securities</b>	<b>38,024</b>	<b>39,466</b>	<b>39,882</b>	<b>4.9</b>	<b>1.1</b>
Securities Available for Trading	952	932	926	(2.7)	(0.6)
Securities Available for Sale	32,135	34,111	34,872	8.5	2.2
Securities Held to Maturity	4,937	4,423	4,084	(17.3)	(7.7)
<b>Loans</b>	<b>35,191</b>	<b>37,397</b>	<b>37,497</b>	<b>6.6</b>	<b>0.3</b>
Public Sector	352	237	225	(36.1)	(5.1)
Private Sector	34,839	37,160	37,272	7.0	0.3
<b>Other Assets</b>	<b>8,708</b>	<b>9,462</b>	<b>7,992</b>	<b>(8.2)</b>	<b>(15.5)</b>
<b>BB Group</b>	<b>83,102</b>	<b>78,740</b>	<b>77,441</b>	<b>(6.8)</b>	<b>(1.6)</b>

## Foreign trade

BB's Foreign Trade aims to provide complete customer service, with solutions in credit, derivatives, controlled products, and capital markets, among others, integrating operations between the network in Brazil and abroad, to provide a better experience for customers on their International Journey.

In this sense, Banco do Brasil launched the First Export Program to encourage micro and small companies to start selling products in the international market. The focus is on 20,000 clients in the segment that have high export potential. The program promotes the first of the companies, through a complete journey that includes digital training, export assistance and a portfolio of solutions. By June, more than 1,200 companies had registered, with 170 advisory services provided.

In addition, BB launched Finimp Digital, available at BB Digital PJ and which brings a set of special lines of credit for importing capital goods, machinery, equipment, goods, and services, with interest rates in the international market.



Table 95. Consolidated Abroad – Liabilities – R\$ million

	Jun/22	Mar/23	Jun/23	Chg. (%)	
				Jun/22	Mar/23
<b>Liabilities</b>	<b>204,928</b>	<b>197,654</b>	<b>208,451</b>	<b>1.7</b>	<b>5.5</b>
Deposits	70,509	67,744	69,183	(1.9)	2.1
Demand Deposits	15,354	13,551	14,502	(5.5)	7.0
Time Deposits	34,424	36,970	36,535	6.1	(1.2)
Interbank Deposits	20,731	17,223	18,146	(12.5)	5.4
Funds from Acceptances and Securities Issuance	30,383	12,836	11,003	(63.8)	(14.3)
Borrowings	15,672	17,971	19,668	25.5	9.4
Subordinated Debt and Perpetual Bonuses	32,505	27,115	18,854	(42.0)	(30.5)
Other Liabilities	10,510	29,658	32,424	–	9.3
BB Group	29,563	24,042	39,514	33.7	64.4
<b>Shareholders' Equity</b>	<b>15,786</b>	<b>18,288</b>	<b>17,805</b>	<b>12.8</b>	<b>(2.6)</b>
Controlling	15,105	17,478	17,041	12.8	(2.5)
Non-Controlling Interest <sup>1</sup>	681	810	764	12.2	(5.7)

(1) It corresponds to non-controlling shareholders' participation of Banco Patagonia.

Table 96. Consolidated Abroad – Statement of Income – R\$ million

	2Q22	1Q23	2Q23	Chg. (%)		1H22	1H23	Chg. (%)
				2Q22	1Q23			1H22
Income after Taxes and Statutory Participations	(794)	716	587	0.0	(18.0)	(353)	1,303	0.0
Non-Controlling Interest <sup>1</sup>	104	188	210	101.9	11.7	214	398	86.0
<b>Net Income</b>	<b>(690)</b>	<b>904</b>	<b>797</b>	<b>0.0</b>	<b>(11.8)</b>	<b>(139)</b>	<b>1,701</b>	<b>0.0</b>

(1) It corresponds to non-controlling shareholders' participation of Banco Patagonia.



## Banco Patagonia

All figures presented in this chapter reflect the integrally of the balances, equity, and income accounts. More detailed information is available on Banco Patagonia's official website (<https://www.bancopatagonia.com.ar>).

Table 97. Banco Patagonia – Balance Sheet Highlights – R\$ million

	Jun/22	Mar/23	Jun/23	Chg. (%)	
				Jun/22	Mar/23
Assets	24,963	27,057	26,565	8.4	(1.8)
Loans	7,111	6,770	6,735	(4.8)	(0.5)
Deposits	18,983	20,181	19,750	6.3	(2.1)
Shareholders' Equity	3,471	4,128	3,897	18.9	(5.6)

Figure 69. Banco Patagonia – Funding – R\$ million

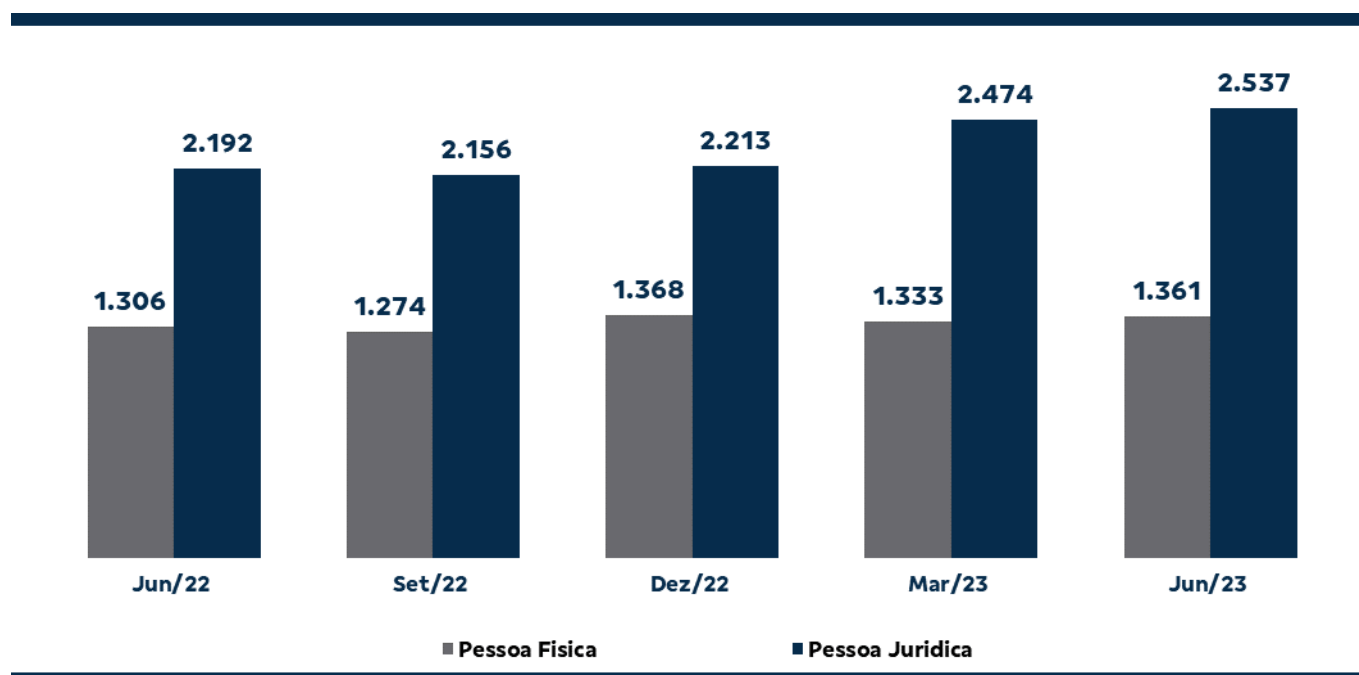




Table 98. Banco Patagonia – Main Statement of Income Items – R\$ million

	2Q22	1Q23	2Q23	Chg. (%)		1H22	1H23	Chg. (%)
				2Q22	1Q23			
<b>Income from Financial Intermediation</b>	<b>651</b>	<b>1,433</b>	<b>1,771</b>	<b>172.3</b>	<b>23.6</b>	<b>1,502</b>	<b>3,204</b>	<b>113.3</b>
Allowance for Loan Losses	66	(21)	(26)	0.0	23.0	49	(47)	–
<b>Gross Income from Financial Intermediation</b>	<b>716</b>	<b>1,412</b>	<b>1,745</b>	<b>143.7</b>	<b>23.7</b>	<b>1,551</b>	<b>3,157</b>	<b>103.5</b>
Fee income	271	319	318	17.3	(0.1)	535	637	19.0
Administrative Expenses	(355)	(432)	(490)	37.9	13.3	(736)	(922)	25.3
Other	(102)	(299)	(326)	0.0	9.0	(262)	(625)	138.2
Income Before Taxes	530	999	1,248	135.3	24.9	1,088	2,247	106.5
Income and Social Contribution Taxes	(2)	(40)	(178)	0.0	0.0	2	(218)	–
<b>Net Income</b>	<b>528</b>	<b>959</b>	<b>1,070</b>	<b>102.6</b>	<b>11.6</b>	<b>1,091</b>	<b>2,029</b>	<b>86.0</b>

Regarding the treasury result, it is worth mentioning the existence of an inflationary context in Argentina, which affects the financial situation, results, and cash flows and therefore the impact of inflation must be taken in consideration. For management and control, Banco Patagonia has measurement tools that allow an integrated management of interest rate risk together with liquidity risk (ALM strategy).

Table 99. Banco Patagonia – Net Interest Income – R\$ million

	2Q22	1Q23	2Q23	Chg. (%)		1H22	1H23	Chg. (%)
				2Q22	1Q23			
<b>Net Interest Income - Banco Patagonia</b>	<b>618</b>	<b>1,432</b>	<b>1,711</b>	<b>177.0</b>	<b>19.5</b>	<b>1,464</b>	<b>3,142</b>	<b>114.6</b>
Loan Operations	539	781	821	52.4	5.1	1,077	1,602	48.8
Treasury	1,173	2,927	3,545	0.0	21.1	2,352	6,472	175.2
Funding Expenses	(1,082)	(2,232)	(2,634)	143.5	18.0	(1,937)	(4,866)	151.2
Financial Expense for Institutional Funding	(12)	(44)	(21)	70.2	(53.4)	(27)	(65)	141.6

Table 100. Banco Patagonia – Profitability, Capital and Credit Indicators - %

	2Q22	1Q23	2Q23
ROE <sup>†</sup>	5.8	11.8	19.8
Capital Adequacy Ratio	27.6	32.6	27.8
Coverage index (+90 days)	252.1	211.5	220.2
NPL+90 days	0.7	0.7	0.6

(1) The calculation is annualized (multiplication of quarterly results by four). – Considers IFRS.



# Glossary

**ADB:** Average Daily Balance.

**Adjusted Net Income:** net income excluding one-off items.

**ALLL Extended View:** corresponds to the credit risk (according to Res. Bacen 2,682/99), added to the amounts of credit recovered from losses, in addition to discounts granted and impairment losses.

**Annualized Return on Equity:** ratio between the net income and the average of shareholders' equity, excluding non-controlling interest. The ratio is annualized.

**Average Risk:** required provisions over classified loan portfolio ratio.

**Classified Loan Portfolio:** sum of the credit transactions, financing, leasing, other credit with loan characteristics and acquired loan portfolio.

**Classified Loan Portfolio Coverage Ratio:** ratio between the balance of provisions and the balance of operations due for more than 90 days of the classified loan portfolio (total, individuals, companies, agribusiness or renegotiated).

**Clients Spread:** is the result of the managerial financial margin with clients ("margin with clients") divided by the respective average balances of asset credit, private securities and similar.

**Commercial Funding:** it includes Total Deposits, Agribusiness Letters of Credit - LCA, Mortgage Bonds - LCI and repurchase agreements transactions with private securities.

**Correspondent Services:** are companies contracted by financial institutions and other institutions authorized by the Central Bank of Brazil to provide services to clients and customers of such institutions.

**Cost of risk:** ratio between the net ALLL expenses and the average classified loan portfolio of the period.

**Cost to Income Ratio:** productivity indicator that measures the relation between administrative expenses and operating revenues.

**Credit Risk:** Allowances for loan and lease losses (ALLL) expenses, as Res. Bacen 2,682/99.

**Credit Spread:** is the result of the managerial financial margin of credit (total, individuals, companies and agribusiness) divided by its respective average balances. Credit spreads do not consider private securities and deals acquired and/or contracted by the Bank's branches/subsidiaries abroad. Companies credit spread, different from the total credit spread, does not consider government portfolio.

**Administrative Expenses Coverage:** ratio between fee income and administrative expenses.

**Personal Expenses Coverage:** ratio between fee income and administrative expenses.

**Domestic Loan Portfolio:** (classified or expanded) loan portfolio, considering only the operations carried out in the country (Brazil).

**Earning Assets:** reflects the sum of all assets that produce a financial return to the institution.

**Expanded Loan Portfolio:** it corresponds to the classified loan portfolio added of the private securities and guarantees transactions.

**Extraordinary Items:** relevant revenues or expenses registered in the Income Statement that are originated from transactions that are not part of the day-to-day business of the Bank and/or refer to items or events that happened in previous years and impacted the current period.



**Guarantees:** transactions where the BB ensures the payment of its client's obligations towards third parties.

**Impairment Losses:** grouping of accounts that record permanent losses in bonds and securities, expenses with provision for impairment in bonds and securities and the negative result from sales or transfers of financial assets that were written off by the selling or transferring institution.

**Institutional Funding:** includes funding raised from to institutional investors, with the use of instruments such Senior Debt, Financial Letters and Capital and Debt Hybrid Instrument (IHCD).

**Interest Bearing Liabilities:** includes the sum of all liabilities that carry an expense for the institution.

**Managerial Net Interest Income:** is calculated by the sum of the Margin with Clients and the Margin with the Market.

**Margin with Clients:** is formed by the performance of (I) active (credit, private securities and similar) and (II) passive (commercial funding and similar) operations sensitive to spreads. The calculation of the managerial margin considers, in the asset/investment part, the interest income deducted from the opportunity expense and, in the liabilities/funding part, the difference between the interest expense and the opportunity income.

**Margin with the Market:** is formed by (I) the result of asset and liability management (ALM) regarding the mismatch of terms, interest rates, exchange rate (and others), (II) treasury trading results. (III) All Banco Patagonia's NII.

**Micro, Small and Middle Market Companies (SME)** – companies with up to R\$200 million in annual revenues

**Net Interest Gain:** defined as interest income from earning assets less interest expenses from interest bearing liabilities.

**Net Interest Income (NII):** it is calculated as the difference between income and expenses from financial intermediation considering the reallocations. It represents the performance of financial intermediation transactions before ALLL.

**Net Interest Margin:** net interest income divided by the average balance of earning assets.

**NPL +90d:** ratio between the balance of more than 90 days overdue operations and the loan portfolio balance.

**Opportunity Expenses/Revenues:** Opportunity expense is defined, In the case of fixed rate transactions, considers the funding cost at the time of the contracting, and it is not affected by the variation in the Selic rate and/or Term Structure of Interest Rates (ETTJ). The loan's opportunity cost allocated to Individuals and companies with free resources can be backed by TMS (Average Selic Rate) and/or ETTJ. The opportunity cost for the agribusiness portfolio and other-directed resources is calculated based on the source of funds and the need to make any compulsory investment with a portion of the funds from the relevant source. Opportunity income, similarly, it is predominantly post-fixed and based on the TMS of the period.

**Organic Loan Portfolio:** Loan Portfolio (classified or expanded) excluding the acquired portfolios.

**Overdue Renegotiated Loan Portfolio:** it comprises the renegotiated loans for debts composition due to delay in payments by customers. Furthermore, it does not comprise the rollover of agribusiness loans made in accordance with Federal Regulation.





**Private Securities:** transactions characterized by the acquisition of securities (commercial paper and debentures) mainly issued by private companies.

**Reallocations:** adjustments made in the Corporate Law Income Statement to provide a better understanding of the business and the company's performance.

**Structural Hedge:** transactions made by the Bank to protect itself against variations in value of assets kept abroad in foreign currency.

**Tax Hedge:** transactions made by BB on top of the Structural Hedge to mitigate the effects of taxation on gains and losses made through the Hedge position.



## Banco do Brasil's Capital Regulation:

**Additional Tier 1 Capital:** Hybrid Capital and Debt Instruments that meet the CMN Resolution nº 4,192/13 requirements can make up Tier 1, as long as they are authorized by Bacen.

**Common Equity Tier 1:** Shareholders' Equity and result, deducted the Regulatory Adjustments.

**Minimum Required Reference Equity (MRRE):** is the equity required (capital volume required) from institutions, conglomerates, and other institutions authorized to operate by Bacen, to face the risks to which they are exposed due to the activities they are involved in, and it is defined by CMN Resolution nº 4,193/13.

**Prudential Adjustments:** the Regulatory Adjustments are deductions from the Common Equity Tier 1 Capital of elements that can degrade its quality

due to their low liquidity, difficulty to evaluate or reliance on future profits to be realized.

**Reference Equity (RE):** sum of Tier 1 with Tier 2.

**RWA<sub>CPAD</sub>:** assets weighting related to credit risk exposures.

**RWA<sub>MPAD</sub>:** assets weighting related to market risk exposures, subject to the calculation of capital requirements under standardized approach.

**RWA<sub>OPAD</sub>:** assets weighting related to operational risk exposures.

**Tier 1:** sum of Common Equity Tier 1 and Additional Tier 1 Capital.

**Tier 2:** Subordinated Debt Instruments that meet the CMN Resolution nº 4,192/13 requirements can make up Tier 2, as long as they are authorized by Bacen.



## Vice Presidency of Financial Management and Investor Relations

### **CFO**

Marco Geovanne Tobias da Silva

### **Head of IR**

Janaína Storti

### **Executive Manager**

Ronal Mascarello

### **Managers**

Fabíola Lopes Ribeiro

Felipe de Mello Pimentel

Hilzenar Souza Alves da Cunha

Marcelo Oliveira Alexandre

### **Coordinator**

Daniela Priscila da Silva

### **Analysts**

Adriano Gonçalves de Souza

Bruno Santos Garcia

Caroline Rosa

Diogo Simas Machado

Fabrcio da Costa Santin

Fernanda Vasconcelos de Meneses

Fernando Cassimiro de Macedo

Gabriel Mirabile Pinheiro

Gustavo Correia de Brito

Laura Daianna Fernandes Cunha

Luiz Felipe Alves Abreu

Luiz Fernando de Almeida

Mrcia Lima Rodrigues

Marco Antonio Datolo Fernandes

Nathalia Barbieri

Pedro Tavares Pegorer

Regina Knysak

Vitor Lopes Rodrigues

Viviane de Sousa

(Convenience Translation into English from the Original  
Previously Issued in Portuguese)

## **Banco do Brasil S.A.**

Independent Auditor's Limited Assurance  
Report on the Process of Compilation and  
Presentation of Supplementary Financial  
Information Included in the Management Discussion and  
Analysis Report for the Three- and Six-  
Month Periods Ended June 30, 2023

Deloitte Touche Tohmatsu Auditores Independentes Ltda.

(Convenience Translation into English from the Original Previously Issued in Portuguese)

**INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT ON THE PROCESS OF COMPILATION AND PRESENTATION OF SUPPLEMENTARY FINANCIAL INFORMATION INCLUDED IN THE MANAGEMENT DISCUSSION AND ANALYSIS REPORT FOR THE THREE- AND SIX-MONTH PERIODS ENDED JUNE 30, 2023**

To the Board of Directors, Shareholders and Management of  
Banco do Brasil S.A.

## **Introduction**

We have been engaged by Banco do Brasil S.A. ("Bank") to submit our limited assurance report on the process of compilation and presentation of summary financial information presented included in the section Summary Consolidated Financial Information of the Bank's Management Discussion and Analysis Report ("supplementary financial information"), for the three- and six-month periods ended June 30, 2023, prepared by and under the responsibility of the Bank's Management.

The supplementary financial information was compiled and presented in reliance upon the individual and consolidated financial statements prepared in accordance with accounting practices adopted in Brazil, applicable to institutions authorized to operate by the Central Bank of Brazil - BACEN, (a) for the six-months period ended June 30, 2023, which was audited by us in accordance with Brazilian and International Standards on Auditing, on which we issued an audit report on August 8, 2023; and (b) for the three- and six-month periods ended June 30, 2023 which was reviewed by us, in accordance with Brazilian and international standards on review engagements (NBC TR 2410 Revisão de Informações Intermediárias Executada pelo Auditor da Entidade and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively), on which we issued a review report dated August 8, 2023. The supplementary financial information compiled includes reclassifications in accordance with the interpretation and judgment of the Bank's Management, according to the criteria for preparation of such supplementary financial information described in the section Summary Consolidated Financial Information, in the Reallocations Breakdown item of the Bank's Management Discussion and Analysis Report.

## **Responsibilities of the Bank's Management for the process of compilation and presentation of supplementary financial information included in the Management Discussion and Analysis Report**

The Bank's Management is responsible for the preparation of the Bank's individual and consolidated financial statements for the three- and six-month periods ended June 30, 2023, prepared in accordance with accounting practices adopted in Brazil, applicable to financial institutions authorized to operate by the Central Bank of Brazil - BACEN, as well as for the process of compilation and presentation of the supplementary financial information disclosed in the section Summary Consolidated Financial Information of the Bank's Management Discussion and Analysis Report, including certain reclassifications made by the Bank's Management to allow an additional analysis, as described in the section Summary Consolidated Financial Information, in the Reallocations Breakdown item of the Bank's Management Discussion and Analysis Report, whose values are obtained from the Bank's individual and consolidated financial statements audited or reviewed by us, or the Bank's accounting records.

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## Independent auditor's responsibilities

Our responsibility is to express a conclusion on the process of compilation of the supplementary financial information included in the section Summary Consolidated Financial Information of the Bank's Management Discussion and Analysis Report for the three- and six-month periods ended June 30, 2023, based on the limited assurance engagement conducted by us in accordance with NBC TO 3000 - "Trabalhos de Asseguração Diferente de Auditoria e Revisão", issued by the Brazilian Federal Accounting Council - CFC, equivalent to the International Standard ISAE 3000 - Assurance Engagements Other than Audits or Reviews of Historical Financial Information, issued by the International Federation of Accountants - IFAC, applicable to non-historical financial information.

This standard requires compliance with ethical requirements, including independence requirements, and that the engagement be conducted to obtain limited assurance that nothing has come to our attention that causes us to believe that the supplementary financial information included in the section Summary Consolidated Financial Information of the Bank's Management Discussion and Analysis Report, for the three- and six-month periods ended June 30, 2023, has not been compiled, in all material respects, in accordance with the criteria for preparation described in the section Summary Consolidated Financial Information, in the Reallocations Breakdown item of the Bank's Management Discussion and Analysis Report.

These assurance procedures were considered satisfactory to allow a limited level of assurance and do not include all the procedures that would otherwise be required to provide a higher level of assurance and, therefore, we do not express an opinion.

## Conclusion

Based on the limited assurance procedures described above, nothing has come to our attention that causes us to believe that the process of compilation and presentation of the supplementary financial information included in the section Summary Consolidated Financial Information of the Bank's Management Discussion and Analysis Report, for the three- and six-month periods ended June 30, 2023, referred to above, has not been followed by the Bank's Management, in all material respects, in accordance with the preparation criteria described in the section Summary Consolidated Financial Information, in the Reallocations Breakdown item of the Bank's Management Discussion and Analysis Report.

This independent auditor's limited assurance report has been translated into English for the convenience of readers outside Brazil.

Brasília, August 9, 2023

DELOITTE TOUCHE TOHMATSU  
Auditores Independentes Ltda.

Luiz Carlos Oseliero Filho  
Engagement Partner

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# Management Report

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**COSIF**



**1H**  
**23**



# Banco do Brasil S.A. - Management Report - 1H23

Dear reader,

In the first half of 2023, we achieved a net profit of R\$16.6 billion. This result reflects Banco always do Brasil's relevance in the lives of clients. We seek excellence in the relationship, in an innovative and efficient way, bringing hyperpersonalized solutions, to see Brazilians thriving more and more.

We reached R\$42.9 billion in value added, through the payment of dividends, taxes, and other components. In addition, we adopt actions that generate positive social and environmental impacts through our initiatives, partnerships and the performance of the Banco do Brasil Foundation. We are inducers of sustainable best practices and support our clients to migrate to greener and more inclusive business models.

In June, we closed the 2022/2023 Crop Plan (Plano Safra), the largest in our history, with R\$190 billion disbursed. In July, we announced the new 2023/2024 Crop Plan (Plano Safra) with a disbursement forecast of R\$240 billion, 26.3% higher than the disbursement in the previous crop, with R\$48 billion for family farmers and medium producers.

We invest in the training of the producer, with the technical performance of our specialists and the intensive use of technology. We bring financial and agricultural guidance to the small producer with lectures on property management and agricultural techniques that provide a more efficient production in their activities. In the previous crop, more than 11 thousand family farmers were trained, surpassing 293 events held in more than a thousand municipalities. For the next crop, 1,000 events are planned in four thousand municipalities, training 20,000 farmers.

Our performance in credit to the Public Sector also deserves to be highlighted. We reinforce our partnership with public entities that enable public policies and improve the lives of citizens, disbursing more than R\$5.5 billion to States and Municipalities in 1H23. We believe that the development of the public sector is fundamental to the transformation of society.

In addition, in July/2023, we joined Desenrola Brasil Banda 2, an Emergency Program for the Renegotiation

of Debts of Delinquent Individuals, whose objective is to renegotiate bank debts of individuals, with monthly income equal to or less than R\$20,000 and who had negative debts on 12/31/2022.

To achieve our purpose, to be always relevant in people's lives, we believe that having qualified and engaged employees is a key piece. We are advancing in the cultural transformation of our company, becoming a more agile, modern, and diverse Bank.

This transformation also occurs due to the digital acceleration, which positively influences the way we work, with the use of agile methods daily and seeking the reskilling and upskilling of our teams. In addition, the latest competitions, held in 2021 and 2022, oxygenate our staff with the arrival of new professionals, including directly to the areas of technology and cybersecurity.

We also advance, in a transversal way, in the theme of diversity, reaching senior management, employees, suppliers and business partners because we understand that by sharing the diversity of people, experiences and ideas we will be able to innovate even more, improve our business and deliver sustainable results.

To sustain the necessary and important transformations, in March, we announced the revision of the Executive Committee on People and Organizational Culture, subordinated to the Board of Directors, which has been renamed the Executive Committee on People, Equity and Diversity. We also created the Advisory Council on Diversity, Equity and Inclusion, whose role is to discuss necessary advances in management, analyze trends and best practices, and propose initiatives associated with the themes.

We invite you to know a little more about Banco do Brasil's deliveries in the following pages, while reinforcing the commitment to generating value for all our stakeholders.

Happy reading!



# Consolidated Financial Statements Result

Key components and performance indicators in the first six months of 2023, compared to the same period in 2022.

Net income of R\$16.6 billion in 1H23 was a reflection of good commercial performance in several business lines, notably in the disbursement with credit quality, exploring value chains and an adequate risk-return mix. This performance is bolstered by growth in service revenues, while administrative expenses remained under control. The proper management of liquidity and revenues of the group companies are added to the result. BIS reached 15.7% and the CET1 ended June at 12.2%.

In addition to the result, we reached R\$42.9 billion in value added, through the payment of dividends, taxes and other components, a growth of 15% over the same period of the previous year.

To learn more details about the income and equity items for the period, read the Notes to the Financial Statements for the year and in the Management Discussion and Analysis (MD&A) report.

## Net Income

**R\$16.6 billion**

**Growth of 15.2%**  
**compared to 1H22**

## Value Added

**R\$42.9 billion**

**Growth of 15.0%**  
**compared to 1H22**

	Banco do Brasil		BB Consolidated	
	1H23	1H22	1H23	1H22
<b>Earnings (R\$ million)</b>				
Net Income	16,444	14,243	16,561	14,370
Income from Financial Intermediation	26,505	24,631	31,594	27,313
Fee Income	10,359	9,924	16,418	15,372
Administrative and Personnel Expenses	(17,654)	(15,968)	(18,668)	(16,875)
<b>Equity (R\$ million)</b>	<b>Jun/23</b>	<b>Dec/22</b>	<b>Jun/23</b>	<b>Dec/22</b>
Assets	2,124,392	2,062,967	2,103,152	2,029,399
Classified Loan Portfolio	907,553	877,064	921,558	891,283
Customer Resources	734,788	722,516	768,531	753,263
Shareholders Equity	157,200	153,839	167,680	164,029

## Shareholders and Holders of Debt Instruments

We have a base of more than one million shareholders, 98.5% of whom are individuals and 1.3% are legal entities. At the end of June, our shareholding composition was distributed among 50% of shares held by the Federal Government, 49.6% outstanding (free float) and 0.4% held in treasury. Local investors held 73.8% of the outstanding shares, and foreigners 26.2%. Our shares (BBAS3) represented 3.314% of the Ibovespa in the last quarter.

## Compensation to Shareholders

The Shareholder Compensation Policy seeks to ensure the proper valuation of the shareholder, combined with the continuity and financial sustainability of the Bank in the short, medium and long term, based on the premise of flexibility and financial solidity that ensure the sustainability of the business.

For the 2023 fiscal year, the distribution of dividends and/or Interest on Own Capital (JCP) corresponding to 40% of net income was approved, adjusted as provided for in letters "a" and "b" of item I of article 202 of Law 6,404/76, based on the Bank's results, financial condition, cash requirements, the Capital Plan and its goals and respective projections, the Risk Appetite and Tolerance Statement, prospects for present and potential markets, existing investment opportunities and the maintenance and expansion of operating capacity.

The total allocated to shareholders in 1H23 was R\$6.5 billion. The amount per share allocated to shareholders was R\$2.266.



# Corporate Strategy

Our Corporate Strategy has a time horizon of five years and is reviewed every year, according to a structured, participatory process based on consolidated methodologies. After the review, it is approved by the Board of Directors, which directs the Company's decisions for the following years.

Our purpose is "To be close and relevant in people's lives at all times", and that's why we exist to always be together, support and maintain close relationships with people, regardless of the channel. We are relevant because our greatest aspiration is to generate value and be indispensable in the lives of the people with whom we relate. We want this purpose to be always present in our relationships, as we offer complete solutions so that our customers can count on us during all phases of their personal and professional life.

In line with our purpose and reinforcing the Company's organizational identity, our values are Proximity, Innovation, Integrity, Efficiency and Commitment to Society. These values form the basis of our culture and are experienced by all employees.

The Strategic Map and the Master Plan outline the strategic objectives and indicators for the next five years, distributed in five perspectives: Clients, Financial, Sustainability, Processes and People. The customer is at the center of our actions and decisions at all organizational levels, offering complete solutions and an appropriate experience.

We are a competitive, profitable, efficient, innovative bank, reference in sustainability and ESG business, the result of excellence in optimized capital allocation, high operational efficiency, a rational organizational structure, new business development and diversified revenue sources.



We accelerate digital transformation and innovation, using analytical intelligence and keeping the focus on improving models, processes, products and channels, with the aim of making them simpler, agile and responsive, thus creating a bank for each client.

We seek to continue the transformation of our organizational culture, relying on the engaged performance of our professionals, maintaining our focus on innovation, meritocracy, and sustainable results.

# Clients

## A bank for every customer

We look at our customers broadly, breaking down traditional barriers to segmentation and knowing their interests, consumption habits, lifestyle, values, and affinities. With the extensive use of data, we know and value what is important to each client, promoting a close relationship that goes beyond the banking core.

The applied analytical intelligence allows us the greatest personalization of the relationship, generating good experiences and relevance, so that clients have access to a highly specialized Bank, with products, services and advice appropriate to their needs.

Seeking to deliver a unique experience, integrated and aligned with the goals and moment of life of customers, we are enhancing our CRM that was developed in a proprietary way for a market-leading cloud solution. Allied to this transformation, we are also investing in a new Contact Center tooling.

We are advancing in the migration of the service structure to lighter, more efficient, and specialized models, which results in an integral experience in the channels and expands our capillarity, ensuring the best convenience for customers. BB has enabled business and innovations to be always close and available to customers, whether they are in the branches, in the App, in social networks or in the metaverse.

Our initiatives to improve the customer experience have shown positive results in terms of satisfaction. The Net Promoter Score (NPS) has been showing constant evolutions, closing the quarter with an increase of approximately 13 points compared to 2Q22. In addition, we reached the single-digit complaint rate for the fourth time in a row. With this, we remain in the best position among the large financial conglomerates and 12th in the expanded list, with the fifteen banking and payment institutions.

Active listening and understanding of our customers' needs are at the heart of our actions. After each service performed, we forward an evaluation survey to the client and the grade received is linked to the evaluation of the semiannual performance of the employees, to ensure that the quality of service and customer satisfaction are a common goal for all. The consequence of the constant monitoring of customer needs and satisfaction reflects in the reduction of SAC complaints, in the BB Ombudsman and in the better positioning in the Central Bank ranking.

For micro and small business clients, we launched, in partnership with the Brazilian Trade and Investment Promotion Agency (ApexBrasil) the First Export Program, the program aims to encourage companies to go for the sales of products in the international market. The target audience is composed of 20 thousand customers of the segment that have high potential to export. The program fosters the first export of companies, through a complete journey that includes digital training, advice and portfolio of solutions. By June, more than 1,200 companies were registered, with 170 advisory services provided.

NPS: improvement of

**13 points**

in a year



# Digital Transformation

Our technology areas work in tune with the business areas and customers, with the objective of accelerating the digital transformation, without losing sight of the quality and effectiveness in the face-to-face service to our customers.

The analytical application to each cycle already contributes and becomes responsible for an important part of the generation of results and value, either by the improvement and expansion of existing products and services or by the development of new businesses or in new formats.

Among the main uses of analytical intelligence, it is worth mentioning the hyperpersonalization to clients, advisory models and indication of the best channel and moment of contact with the client, modernization and innovation of credit models, performance for Desenrola Brasil, management and prediction of distinct and personalized cash for each branch, dynamic indication of rate in the negotiation of private securities and natural language in the monitoring and specific treatment of the calls of our clients across multiple channels.

We have one of the largest technology parks in Latin America, with peaks that exceed the realization of 16 billion transactions per day, and one of the best rated Apps in the financial market (rating of 4.6 on Google Play, rated by more than 5.98 million users, and 4.7 on the App Store (Apple), with 2.85 million reviews), on a scale with a maximum score of five stars), as well as a comprehensive physical network, which provides convenience in serving clients, when and where they want to deliver omni-channel experience.

We also have a robust Analytical Platform, which has a wide menu of solutions and tools such as laboratories, no-code tools and AutoML (Automated Machine Learning), which have contributed to expand the maturity and analytical capacity in all areas and all organizational levels. The analytical models run on it impact more than 200 million customers, enabling and driving new business and a better customer experience. About 10% of our staff already uses in some way at least one solution by the Platform.

As of June 2023, we had 28.0 million active customers on digital platforms. Transactions in these channels accounted for 93.1% of our clients' transactions, an increase of 1.9 percentage points compared to 2Q22 (91.2%). All interactions in these channels are monitored by the WebAnalytics tool allowing the optimization of journeys, reduction of friction and hyper-personalized offers. It is noteworthy that in the last semester the availability of data from this monitoring is six times faster, occurring practically in real time.

We reached the record number of 22.4 million users on the App. The client not only makes inquiries, but also buys, invests, and makes his financial transactions through the BB application. Digital platforms accounted for 32.8% of the disbursement in personal credit and 14.6% of the disbursement of payroll loans. In 2Q23 alone, 26.7% of service operations (such as investment, card application, account opening and capitalization, insurance and consortium deals) were carried out through a digital solution.

For companies, we launched the new PJ App in June/23, enhancing the digital experience of customers in this segment. In addition, we have integrated into the PJ Panel, our digital platform, the reconciliation of sales by card and the digital financial assistant of analytical insights, or Business Coach. The reconciliation allows the control of sales by card, in a simplified and intelligent way, with a unified view of multiple companies of machines, flags and types of sale (credit and debit).

We are the only Bank to offer this innovative solution. Combined with Open Finance, the client has the global vision of his enterprise, regardless of where he has an account, card banking addresses and machines. The Business Coach, in turn, is a system developed by analytical intelligence that provides messaging with alerts and management tips, elaborated from the data of cash flow, sales and clientele, to support companies in the management of their business, through personalized and useful information for the day to day.

We continue to stand out as one of the most relevant Open Finance institutions in Brazil and abroad. The data now has an analysis for quality assessment through analytical models that identify and structure errors for treatment and correction, making reliable data available to the business. In the last quarter, at least 164,000 loan operations were identified with information shared with quality problems.

With new use cases of the data shared with Banco do Brasil, the adhesion of new clients to Open Finance continued at a strong pace. At the end of the second half, BB had about two million unique customers sharing data and more than 3 million consents. Since June, the BB client can already simulate and contract its credit portability via App, using Open Finance data. This solution reinforces the "figital" strategy, by offering the customer the same product and contracting conditions in the channel they prefer. The solution brings convenience and a fluid experience, with less friction, by using data directly from the other institution to perform the simulation and compare operations.

Launched in November 2021, Loja BB became Shopping BB in April 2023, reflecting the continuous

improvement of our bank-as-a-platform strategy. In June, it had more than 120 e-commerces, 28 brands of gift cards, gamer area and mobile recharges. During 1H23, Shopping BB presented a GMV of more than R\$565 million, reaching approximately 3.8 million customers, expanding our operations beyond the banking core and paving new avenues generating business. In June, the analytical model with machine learning techniques was delivered to customize the gift card offer for each client.

We use Artificial Intelligence in addition to improving the user experience with our virtual assistants and develop models applied to safety and operational

efficiency, such as the AI Model Validation Engine (MAIA), an unprecedented solution in the Brazilian market for automated analysis of AI models.

When we talk about credit operations by analytical intelligence, we totaled in this semester about R\$2.9 billion of disbursement with this methodology.

We continue to advance in the aspects of data governance, with specific and well-defined strategy and modernization of its tools, consistently allowing an organization effectively oriented and promoted with the use of data.



# Agenda ESG

## (Environmental, Social and Governance)

We adopt the best Environmental, Social and Governance practices that establish actions to identify and manage risks and opportunities. Our ESG assumptions are materialized in the Sustainability Plan - Agenda 30 BB, which since 2005 has been our main instrument for fostering socio-environmental practices, aligned with the Sustainable Development Goals (SDGs) of the United Nations (UN) and the Paris Agreement. The Plan includes 40 actions and 110 indicators for the period 2021-2023.



The commitment to develop business solutions with social, environmental and climate aspects is guided and declared in our Social, Environmental and Climate Responsibility Policy (PRSAC). It is also supported by the BB Credit Sustainability Guidelines, which are in synergy with the international commitments assumed by the Federal Government, including those related to mitigation and adaptation to the effects of climate change. With national prominence in the development of financial solutions and business models that promote the transition to a sustainable and inclusive economy, we consider climate change in planning and take advantage of business opportunities for a low carbon economy.

Compliance with sustainability indicators and targets are reflected in the remuneration of the entire staff, including senior management, which ensures alignment between business, people and social, environmental and climate issues.



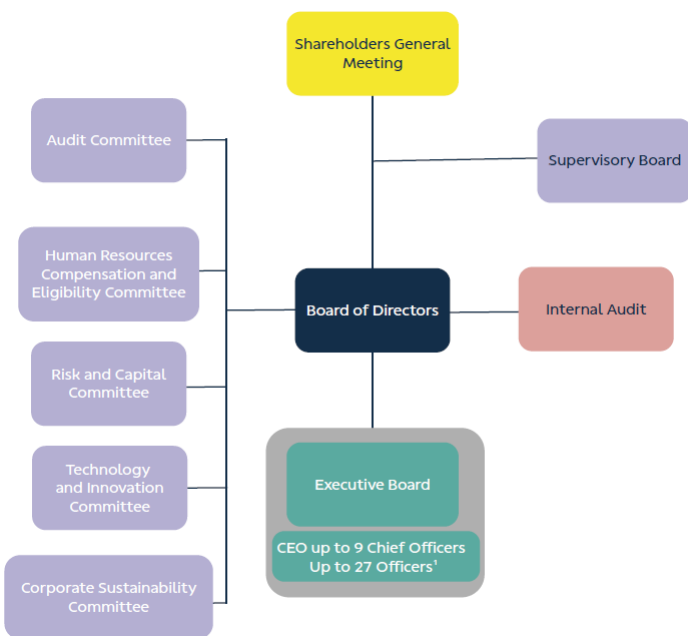


## Corporate Governance

We adopt the best corporate governance practices, maintaining our commitment to the principles of transparency, accountability, equity and corporate responsibility. Since 2006, we have been the only bank listed on B3's Novo Mercado, a segment with the highest standard of corporate governance.

Decisions are taken collegially at all levels. Thus, the management has a structure of committees, subcommittees and strategic commissions that guarantee agility, quality and safety to decision making.

Our governance structure is composed of the General Meeting of Shareholders; by the Board of Directors (CA) and its advisory committees – Audit Committee (Coaud); People, Compensation and Eligibility Committee (Corem); Risk and Capital Committee (Coris), Technology and Innovation Committee (Cotei) and Corporate Sustainability Committee (Cossem); the Executive Board, composed of the Board of Directors (President and Vice Presidents) and other Executive Officers; and the Fiscal Council.



The Board of Directors, an independent body of collegiate decision-making, has, as provided for in the Law and in the Bylaws, strategic, guiding, elective and supervisory attributions. At least 30% of the members are independent, as defined in the legislation and in the Novo Mercado Regulation of B3. In this sense, in April/2023, we held a General Meeting of Shareholders to elect the directors for the 2023/2025 term, at which time the nominees of the controlling shareholder and the minority shareholders were elected.

We published the Annual Letter of Public Policies and Corporate Governance in May/2023. It discloses, among other information, BB's commitments in the achievement of public policies, as well as the corporate

governance practices adopted. The document is available on our [Investor Relations](#) website.

In that year, the BB Annual Letter included information on the contribution generated by the Bank to society, evidenced by an accounting report called the Statement of Value Added, the Bank's performance in the Federal Government's popular housing program and reference to products and services with social and environmental attributes that are associated with public policies.

## Social, Environmental and Climate Risks and Opportunities

In June we published the first report on Social, Environmental and Climate Risks and Opportunities (GRSAC), available on our [Investor Relations](#) website.

The GRSAC report is in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), a global initiative aimed at improving transparency in the disclosure of climate-related financial information, to which the Bank joined in May 2021. This is an important milestone in the sustainability agenda for the financial sector, as it raises the quality of financial information related to social, environmental and climate issues, and reinforces the agenda of ESG commitments and targets.

## Global carbon market

We have strengthened our performance in the voluntary carbon market, supporting our clients in the preparation of credit-generating projects and in the commercialization of credits and offering the possibility of offsetting emissions through the acquisition of carbon credits generated from projects with relevant environmental additionality. We also offer specific lines to foster projects that contribute to decarbonization. At the end of the first semester, there are more than 500,000 acres preserved in carbon projects, in the avoided deforestation methodology - REDD+. These are projects that combine environmental preservation and income generation for the owners of the areas with improvements for the communities located in them.



# 10 ESG Commitments for the Future



(1) In balance; (2) In disbursements; (3) Entrepreneurs; (4) Agriculture, culture, civil defense, education, energy efficiency and public lighting, sports and leisure, road infrastructure, public cleaning, environment, urban mobility, health, safety and sanitary surveillance; (5) AuM applicable; (6) Scopes 1 and 2. Scope 2 was reduced by 100% based on purchase choice (purchase of i-Recs); (7) Renewable energy purchased on the free market (FTA) and own production at the end of the period; (8) According to the Budget Execution Summary.

## Sustainable Credit Portfolio

In line with our long-term commitments and with the objective of assisting our clients in the transition to a more sustainable economy, at the end of June 2023 we reached R\$321.6 billion in sustainable credit operations, a growth of 10% in 12 months. This amount was contracted in credit lines with a strong environmental and/or social focus or to finance activities and/or segments that bring positive socio-environmental impacts such as the renewable energy, energy efficiency, construction, sustainable transport and tourism, water, fishing, forestry, sustainable agriculture, waste management, education, health and local and regional development sectors, in order to reinforce our transformative role in the country's development and construction of an increasingly sustainable future for society.

Our Sustainable Credit Portfolio is submitted to an independent assessment, which considers the main national and international ESG taxonomies in the classification of customers and credit lines that comprise it. The methodology is continuously revised, with the incorporation of the intensive use of data and analytical intelligence to reference best practices and drive pioneering policies to encourage the transition to a low-carbon economy and add new products with ESG attributes.

## Eco-efficiency

We invest in renewable sources to have 90% of our energy decarbonized by 2024. We migrated 62 administrative buildings to the Free Contracting Environment (ACL), ensuring the consumption of clean energy and obtaining a cumulative savings of R\$48.2 million from 2018 to the first half of 2023, with a forecast of R\$120.4 million by 2025. In the first half of this year we expanded the ACL project to 3 consumer units and we have the forecast of 9 more, this means clean energy for 12 dependencies by the end of 2023. We are studying the expansion of another 1,600 units to be migrated to the ACL. This year, we have already inaugurated five solar plants – the twelfth since 2020. All mills have a social counterpart.

Since 2020, BB's solar plants have generated about 40 GWh, failing to emit more than 13,000 tons of CO2 into the atmosphere, equivalent to planting a small forest of 2,000 trees. In addition to the environmental gains, we saved R\$15.4 million, a saving of 26% in relation to the captive market, to achieve an expected reduction of R\$436 million in 15 years.

# Diversity, Equity and Inclusion



Over the last decades, Banco do Brasil has been a protagonist in diversity, equity and inclusion (DEI) actions. We were the first Brazilian bank to adhere to the Standards of Conduct for Business, developed by the UN, which aims to promote equal rights and fair treatment for the LGBTQIAPN+ community. We are the first of the country's leading financial institutions to standardize the social name of trans employees.

At the beginning of 2023, we had the inauguration of the first woman to hold the position of CEO of BB, Tarciana Medeiros, who appointed three women to the vice-presidencies of Retail, Digital and Corporate Business. For the first time in history, Banco do Brasil has 44.4% women, 22.2% black people and two self-declared members of the LGBTQIAPN+ group on the Board of Directors.

To sustain the necessary and important transformations, on March 8 we announced the revision of the composition of governance bodies. The Executive Committee of People and Organizational Culture,

subordinated to the Board of Directors, was renamed the Executive Committee of People, Equity and Diversity with the inclusion of specific attributions related to DEI, as well as monitoring the evolution and dissemination of diversity at BB. We created the Diversity, Equity and Inclusion Advisory Council, whose role is to discuss necessary advances in management, analyze trends and best practices, and propose initiatives associated with the themes.

For the first time we supported the São Paulo LGBT+ Pride Parade, which this year celebrated its twenty-seventh edition. In addition, we sponsored the 22nd Diversity Cultural Fair, an event that opens the celebrations of LGBT+ Pride month.

We had the first experimentation of the Regional Diversity Forums that had 648 participants (215 in the classroom and 433 in the remote) totaling 38 meetings that addressed themes on gender, generations, LGBTQIAPN+, people with disabilities, ethnicities and neurodiversity in all regions of Brazil.

We also held the first Advisory Council on Diversity, Equity and Inclusion, which was attended by members of BB's executive board and representatives of civil society, market experts and references in the subject. The day chosen for the meeting was symbolic, on the day of the 24th Pride Parade of Brasilia.

Being one of the largest financial institutions in the country, we are aware that our social responsibility requires commitment to all stakeholders.

To accelerate the transformations, we bring together in a matrix team employee from different areas of activity who work exclusively to integrate and address solutions, developing policies, action plans, metrics and indicators that should guide our performance in fostering Diversity, Equity and Inclusion for the internal and external public and in the relations with our suppliers to influence and create positive impacts throughout society.



## Sport and Culture

We've supported sports for more than three decades. Among the sponsored modalities are court and beach volleyball, surfing, skateboarding, street running, eSports, as well as individual athletes sponsored in different sports.

Sponsoring the sport is also part of our strategy to rejuvenate the brand and associates Banco do Brasil with an activity whose attributes are quality of life, sustainability, and preservation of the environment.

During the semester, we began supporting two new professional surfers, Filipe Toledo from São Paulo and Ítalo Ferreira from Espírito Santo, who joined surfers Tatiana Weston-Webb, Silvana Lima and Juliana dos Santos. Our support for sports is part of our brand positioning and territories. We believe that sport teaches, entertains, makes dreams come true, encourages unity and maximizes achievements. The purpose of the incentive is to keep moving, surprising, projecting new idols and making pride.

In relation to Culture, a territory with our performance consecrated for more than 30 years, we believe that when culture generates connection it inspires, sensitizes and creates repertoire, promotes critical thinking and has the power to impact lives. Therefore, we expand the connection with culture so that it is present in people's lives and is always a reason for interest. From this idea, we promote access to national and international cultural productions, through a simple and inclusive approach that provokes identification and representativeness.



We are present in four major Brazilian capitals – Rio de Janeiro, São Paulo, Brasília and Belo Horizonte – where we have already received more than 100 million visitors, with the realization of more than 4,500 projects in the areas of performing arts, music, exhibitions, cinema, ideas and educational programs, which has consolidated us as one of the main cultural centers in the Brazilian and international scenario.

The highlight at the beginning of 2023 is the launch of the Cultural Sponsorship Notice to compose the programming of the Banco do Brasil Cultural Centers (CCBB) in the period 2023-2025. More than R\$150 million will be allocated in three years, with more than 6,600 projects registered - with emphasis on the North and Northeast regions that had record registrations.

# Awards and Recognitions

## January

We were recognized, for the tenth consecutive time, with the Top Employers certification, an award granted by the Dutch independent research foundation Top Employers Institute. We are the only Brazilian company certified in all editions and we have been recognized as an employer that develops talents at all levels of the organization and that strives to continuously implement and optimize people management policies and practices.

We were listed in the annual global 500 ranking, which recognizes the 500 most valuable brands in the world. The assessment is from the British consultancy Brand Finance and the result was released during the Economic Forum in Davos, Switzerland.

We are ranked, for the fourth time, as the most sustainable bank on the planet by the ranking of the 100 Most Sustainable Corporations in the World 2023 – Global 100, by Corporate Knights. In 2023, in addition to the leading position among banks, BB is the only Brazilian company ranked, ranking 15th among companies in general.

The Private segment was listed in the 2023 Ranking of the Leaders League, in the category Wealth Management – Private Bank Brazil, which recognizes the best strategies in Brazil in wealth and wealth management for Private clients.

## February

We received international recognition in the Platinum and Gold categories of the 2023 AVA Digital Awards, which takes place in the United States. Awards from around the world are evaluated by professionals working in the U.S. communications and marketing market.

We were recognized in the Lusophone Creativity Award, seven of our initiatives won 13 trophies in various categories.

## March

Abrarec – Brazilian Association of Client Company Relations announced the winners of the Ombudsman Brazil Award and we won the best innovation case at Ouvidorias Brasil for the 10th time.

He won the bronze trophy at the 17th Steve Awards for his comprehensive accessible care for people who are deaf and speech-impaired. The event that took place in the USA recognized the service in Libras in the category of Innovation in Customer Service in the Financial Services Industry.

Our Private segment was recognized for the second year in a row as the best Private Bank in Brazil in 2023 by the World Business Outlook, a communication

vehicle specialized in the coverage and analysis of finance, international business and the global economy. In this same award, 2023 edition, we were also recognized in the categories Best Private Bank for Women, Best Private Bank for Succession Planning and Most Sustainable Private Bank in Brazil.

Private was also recognized for the second year in a row as the best Private institution in Brazil in the International Business Magazine 2023 awards, organized by the communication vehicle specialized in the financial market and of international scope. In this same edition of the awards, we were also recognized in the categories: Fast Growing in Private Bank, Best Financial Advisory for Women, Best Wealth Management and Best Financial Advisory for Agribusiness in Brazil.

## April

Our president, Tarciana Medeiros, leads Forbes Brazil's reputation ranking, is the CEO with the best reputation on LinkedIn according to Forbes Brazil magazine. The ranking scores were calculated using the Digital Maturity Matrix, a methodology that analyzes the presence and strategy of leaders qualitatively and quantitatively. The Matrix considers more than 30 criteria and parameters in the dimensions presence, strategy, social capital and reputation of executives, delivering a holistic view to the analysis and bringing an effective evaluation to the strategy of leaders and brands on LinkedIn.

We were recognized in the Private segment as the Best Institution in Brazil in Innovation focused on Wealth Management in The Global Economics Awards 2023, organized by the communication vehicle specialized in the financial market and of international scope.

## May

BACEN awarded the institutions that obtained the best performance in the Annual Ranking of projections of the 2022 Focus Bulletin. We won the 1st place in the classification for the Selic Tax. BB Asset was recognized by the 1st place in the projection of the IPCA – Managed Prices Medium Term.

We won the fourth championship in one of the categories of the Global CCU Awards, which is an award that recognizes the best corporate universities on a global scale, which create strategic value for people, business, society, and the planet. The gold came in the Impact Technologies category, with the Academia de Educadores project as the best Private Bank in Brazil in the 2023 edition of the World Business Outlook Awards, organized by the communication vehicle specialized in the coverage and analysis of finance, international business, and the global economy.



## June

Our president, Tarciana Medeiros, received the Personality of the Year award, offered by the Brazilian Chamber of Commerce in the United Kingdom in recognition of the achievements of companies and their leaders who have contributed to strengthen the commercial ties between Brazil and the United Kingdom.

We won the 11th edition of the Global Finance Award – The Innovators 2023, in the category "Top Innovations in Finance 2023 - Marketing" with the case "Metaverse BraBlox", whose proposal is to connect the young public to the company's brand, so that in the future they can become customers of the Bank.

We won the 2nd edition of the FIDInsiders Award 2023 - Digital Finance for Society in the category "Innovation in Offering Financial Solutions for Small and Medium Rural Producers". The FIDInsiders Award aims to recognize and disseminate innovative solutions that contribute to improving the democratization of finance in Brazil.

We also had a better score in the ESG rating by Sustainalytics, reaching the "Low Risk" rating and a score of 19.3 (in 2022 we scored 20.6 - Medium Risk). The evaluation reflects BB's performance on issues such as data privacy and security, governance, business ethics, risk management, socio-environmental performance, among others.

For the eighth consecutive year, we have been listed on the FTSE4 Good Index Series - the London Stock Exchange's sustainability index. This year, we had an

evolution in the evaluation of the index, reaching a score of 4.1 out of 5 possible points. BB was evaluated in the environmental, social and governance dimensions, with emphasis on the maximum score in the environmental perspective.

We won the Latam Award 2023, offered by the Alianza Latinoamericana de Organizaciones para la Interacción con Clientes (Aloic), the award recognizes the best practices in customer relations on the continent.

We were recognized, with the gold trophy, for the best performance in South America in innovation for customer service in the 21st edition of CMS Financial Innovation.

## July

We were nominated again for the ReclameAqui award, in the Banks category, demonstrating the good reputation in the opinion of consumers. To be nominated to participate in the awards, companies must have status: Good, Great or be RA 1000 (seal of maximum reputation provided by the site). The ReclameAqui Award is in its 13th edition, and this is the 5th consecutive time that BB is nominated for this category.

We have been listed for the eighth consecutive year on the FTSE4Good Index Series, the London Stock Exchange's index that assesses and ranks companies with best environmental, social, and corporate governance practices. 2. BB obtained an overall score of 4.1 in 2023, compared to 3.6 in 2022, and achieved a maximum score (5.0) in the environmental dimension.



## People Management

In line with the purpose of "being close and relevant in people's lives at all times", we applied, between May and June, the engagement survey in partnership with Gallup, which allowed us to compare BB's results with those of hundreds of companies in Brazil and worldwide. In this edition, all employees were invited to participate and the survey had 58.57% adherence, representing an increase of 5.95% in our engagement index compared to the 2H22.

In the movement to strengthen proximity to employees, we approved the Employee Value Proposition (EVP): "A life of opportunities". This proposal, which translates BB's purpose and values into practice, demonstrates the company's positioning and commitment to the staff, using consistent and continuous actions that generate greater engagement and consequently greater productivity. It is related to the construction and maintenance of a career and represents everything that BB provides in terms of benefits and incentives.



In order to improve the employee experience, we have expanded remote work, which already reaches more than 15,000 employees. This initiative aims to provide a better quality of life to employees and is aligned with the objectives of the Corporate Strategy - ECBB by contributing to digital transformation and innovation, as well as reducing expenses with the rental of physical spaces.

Among the initiatives that contribute to the quality of life of employees, we highlight that we provide online and free therapy and have more than 22 thousand employees registered on partner platforms with 117,780 sessions held. In addition, we continue with the CollectiveMente Agenda, which are virtual meetings to exchange experiences and learn about topics related to well-being at work and mental health.

With a focus on career enhancement and management, we had the appointment of employees for succession under the Ascension Executives and Managers Abroad Program. In the first stage of the Program, 999 employees expressed interest, of which 465 employees were nominated to be evaluated by the Strategic Unit Committees. After all stages, 60 employees were appointed, 43% men and 57% women.

We have prepared the Commitment to Protection of the Whistleblower and Non-Retaliation, through which we declare repudiation of acts motivated by revenge and / or persecution against the employee who makes a complaint in the Internal Ombudsman or in the Complaints Channel, as well as the witnesses and / or deponents who collaborate in the elucidation of the facts.

We act, via People LaBB, on several fronts to foster the "Culture of Innovation" such as participation in the definition of corporate strategy in the aspects of innovation in People, monitoring and dissemination of trends, coordination of the innovation network, representation of BB in innovation events and encouragement of training in related themes and methodologies. We also highlight the People Innovation Program, which brings BB closer to the open innovation ecosystem in the market.

We have released the result of the external selection launched in December 2022 and with tests held on April 23. All candidates classified within the number of vacancies (2,149 for commercial agents and 2,150 for technology agents) may be called during the term of the notice. There are opportunities foreseen in all Brazilian states and the Federal District, with IT opportunities specifically for Brasilia and São Paulo. More than 85% of those classified to compose the staff of Banco do Brasil are up to 35 years of age, and 40% declared themselves black or brown. Among the new colleagues, 84.2% are male and 15.8% female. Of the total number of vacancies, 10.28% were won by people with disabilities.



# Risk Management

In the first half of 2023, our key innovations in risk management relate to social, environmental and climate risk (RSAC) processes, enhancements to client risk analysis models and credit risk parameters; the revision of the risk taxonomy; the review and updating of governance related to liquidity risk manuals and models; and the operational risk management process, where internal instruments and processes were improved, as well as several actions developed and implemented to mitigate the risk and its categories.

As already explained in the section "ESG Agenda", we published this semester the first report of Social, Environmental and Climate Risks and Opportunities (GRASC). This is an important milestone in the sustainability agenda for the financial sector, since it raises the quality of financial information related to social, environmental and climate issues, and reinforces the agenda of commitments and goals related to the theme.

From the perspective of credit risk management, we reviewed the loss due to non-compliance (LGD) models for individuals, legal entities, retail and agribusiness clients. The entire process was built in BB's analytical environment, which allows greater agility in the management and implementation of risk models, focusing on digital transformation and the Bank's data-driven culture.

As directed by the Risk Relevance Identification and Definition Model, we reviewed the taxonomy of reputational risk, in the context of the Risk Impact Dictionary, and the relationship of social, environmental and climate risk (RSAC) to the Dictionary of Risk Factors. It is worth mentioning the review of the 70 Risk Factors, with the participation of Specific Managers and Risk Takers.

In July, we held an internal RSAC conference with the objective of disseminating to employees how sustainable principles are internalized in the social, environmental and climate risk management processes, highlighting practices that contribute to BB's recognition as the most sustainable Bank on the planet. Lectures were held with experts and topics such as Sustainability and the role of BB, Social Risk Management, Carbon and the new events of risks and opportunities, Greenwashing, RSAC and the vision of the regulator (Central Bank of Brazil) were addressed.

Liquidity risk management promoted a review and updating of governance related to manuals and models, among which we highlight the revision of the reserve and liquidity cushion models, the revision of the Free Resources Availability (DRL) indicator model,



as well as the revisions of the prospective models related to the regulatory indicators, LCR and NSFR.

We have improved the instruments and internal processes, as well as developed and implemented several actions to mitigate the operational risk and its categories, improving the preventive action, thus reflecting in the generation of effective results for the management of operational losses. In the context of the risk of contagion, it is worth noting the creation of the quantitative measurement model that will allow the calculation of the exposure represented by the equity interests for the BB conglomerate.

Further information on BB's risk management can be found in the Risk Management Report (Pillar III), the Reference Form and the Risk and Capital Management Policy available on the Investor Relations website ([bb.com.br/ir](http://bb.com.br/ir)).

## Independent Audit

In the contracting of services not related to external audit, and to avoid conflicts of interest, loss of independence or objectivity of independent auditors, we adopt procedures based on applicable laws and standards and on the best internationally accepted principles related to the subject. These principles are as follows: (i) the auditor should not audit his or her own work, (ii) the auditor should not perform managerial functions on his client, and (iii) the auditor should not promote the interests of the client. In addition, at Banco do Brasil, the contracting of services related to external auditing must be preceded by an opinion of the Audit Committee.

We inform you that Deloitte Touche Tohmatsu Auditores Independentes Ltda. has not provided services that could affect its independence, ratified through the adherence of its professionals to the relevant ethical and independence standards, so that they comply with or exceed the standards established by the International Federation of Accountants (IFAC), the Federal Accounting Council (CFC), the Brazilian Securities and Exchange Commission (CVM), Central Bank of Brazil (Bacen), Superintendence of Private Insurance (Susep), National Superintendence of Complementary Pension (Previc) and other regulatory agencies. These policies and procedures covering areas such as personal independence, post-employment relationships, professional rotation, as well as the approval of audit services and other services, are subject to constant monitoring.

## Securities and Information of Affiliates and Subsidiaries

In accordance with article 8 of Bacen Circular 3.068/2001, we affirm our intention and financial capacity to maintain, until maturity, the securities classified in the category "Securities Held until Maturity". Our financial capacity is supported by a cash flow projection that does not consider the possibility of selling these securities. The opening of securities by category and the reclassification of securities can be found in explanatory note 10 – Securities. The amounts related to unrealized gains and losses in the period, related to securities, are disclosed in explanatory note 30 – Risk and Capital Management.

In compliance with Article 243 of Law 6,404/1976, we inform you that the company's investments in affiliated and controlled companies are listed in notes 2 – Presentation of the Financial Statements and 14 – Investments.

## Additional Clarifications

We have R\$1.2 billion (individual and consolidated) of non-activated tax credits, presented in explanatory note 22 - Taxes of the Individual and Consolidated Financial Statements (subitem "f").

We kept recorded in clearing accounts, according to the rules set forth in the Accounting Plan of Financial Institutions (Cosif), the amount of R\$15.7 billion arising from co-obligations and risks in guarantees provided to clients and companies that are members of the Banco do Brasil Conglomerate.

We publish annually the investments made because of the exercise of public policies in our Annual Letter of Public Policies and Corporate Governance, available on our website ([ri.bb.com.br](http://ri.bb.com.br)).

Banco do Brasil, its shareholders, managers and the members of the Fiscal Council undertake to resolve any and all disputes or controversies related to the Novo Mercado Listing Regulations through the B3 Market Arbitration Chamber, in accordance with the arbitration clause contained in Banco do Brasil's Bylaws.

Report related to the Individual and Consolidated Financial Statements prepared in the Accounting Standard of the Institutions Regulated by the Central Bank of Brazil (Cosif).

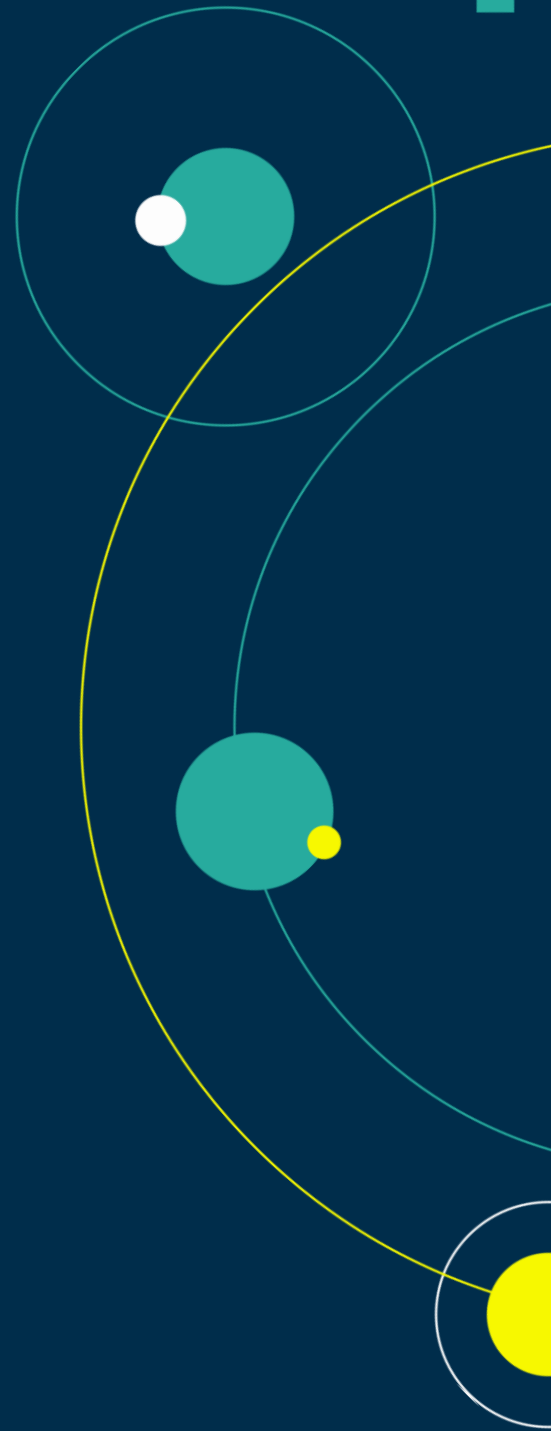
For more information, the Reference Form, the Management Discussion and Analysis (MD&A) report, and the Institutional Presentation are available on the Investor Relations ([ri.bb.com.br](http://ri.bb.com.br)) website.





# Financial Statements

June 30, 2023





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## Balance sheet

	Note	Banco do Brasil		Consolidated	
		June 30, 2023	Dec 31, 2022	June 30, 2023	Dec 31, 2022
<b>Assets</b>					
<b>Cash and due from banks</b>	7	<b>18,574,583</b>	<b>12,808,085</b>	<b>22,541,168</b>	<b>18,310,546</b>
<b>Financial assets</b>		<b>2,009,134,612</b>	<b>1,949,759,015</b>	<b>1,998,421,484</b>	<b>1,925,433,427</b>
Compulsory deposits with Bacen	8	97,135,227	95,119,085	97,135,227	95,119,085
Interbank investments	9	490,260,839	478,461,195	432,512,501	415,873,438
Securities	10	410,212,582	403,227,004	441,532,787	428,447,097
Derivative financial instruments	11	4,885,367	1,622,016	4,879,095	1,638,069
Loan portfolio	12	907,552,540	877,064,044	921,558,247	891,283,323
Other financial assets	13	99,088,057	94,265,671	100,803,627	93,072,415
<b>Allowance for losses associated with credit risk</b>		<b>(53,654,678)</b>	<b>(53,602,150)</b>	<b>(54,134,570)</b>	<b>(54,048,463)</b>
Loan portfolio	12	(50,490,045)	(50,513,636)	(50,674,952)	(50,697,155)
Other financial assets	13	(3,164,633)	(3,088,514)	(3,459,618)	(3,351,308)
<b>Tax assets</b>		<b>65,490,727</b>	<b>64,763,208</b>	<b>68,236,265</b>	<b>66,817,520</b>
Current tax assets		10,158,701	11,030,120	11,287,112	11,523,496
Deferred tax assets (tax credit)	22	55,332,026	53,733,088	56,949,153	55,294,024
<b>Investments</b>		<b>37,892,419</b>	<b>36,042,811</b>	<b>20,011,221</b>	<b>18,794,272</b>
Investments in subsidiaries, associates and joint ventures	14	37,925,077	36,075,468	20,025,065	18,800,024
Other investments		2,101	2,137	2,699	2,809
Impairment losses		(34,759)	(34,794)	(16,543)	(8,561)
<b>Property for use</b>	15	<b>9,255,437</b>	<b>8,534,699</b>	<b>9,507,482</b>	<b>8,825,918</b>
Property and equipment		22,386,571	21,157,959	22,878,210	21,689,521
Accumulated depreciation		(13,124,641)	(12,616,767)	(13,361,800)	(12,854,672)
Impairment losses		(6,493)	(6,493)	(8,928)	(8,931)
<b>Intangible</b>	16	<b>10,908,362</b>	<b>10,976,590</b>	<b>10,985,059</b>	<b>11,090,645</b>
Intangible assets		18,201,426	17,127,888	18,755,119	17,711,288
Accumulated amortization		(6,787,380)	(5,645,614)	(7,234,485)	(6,085,068)
Impairment losses		(505,684)	(505,684)	(535,575)	(535,575)
<b>Other non-financial assets</b>	13	<b>26,790,702</b>	<b>33,684,686</b>	<b>27,584,234</b>	<b>34,174,900</b>
<b>Total assets</b>		<b>2,124,392,164</b>	<b>2,062,966,944</b>	<b>2,103,152,343</b>	<b>2,029,398,765</b>
<b>Liabilities</b>					
<b>Financial liabilities</b>		<b>1,890,568,703</b>	<b>1,836,793,158</b>	<b>1,848,214,208</b>	<b>1,782,027,044</b>
Customers resources	17	734,788,489	722,515,822	768,530,726	753,263,047
Financial institutions resources	18	737,113,077	736,890,036	662,304,759	652,922,721
Resources from issuance of debt securities	19	259,894,419	228,431,519	262,012,557	229,745,964
Derivative financial instruments	11	5,289,398	3,512,533	5,110,148	3,045,463
Other financial liabilities	20	153,483,320	145,443,248	150,256,018	143,049,849
<b>Provisions</b>	21	<b>25,518,216</b>	<b>24,868,631</b>	<b>26,420,516</b>	<b>25,717,886</b>
Provisions for civil, tax and labor claims		18,707,205	18,131,863	18,968,259	18,372,705
Other provisions		6,811,011	6,736,768	7,452,257	7,345,181
<b>Tax liabilities</b>		<b>13,209,605</b>	<b>17,012,929</b>	<b>16,122,073</b>	<b>20,972,583</b>
Current tax liabilities		1,933,487	3,613,093	4,635,382	7,422,707
Deferred tax liabilities	22	11,276,118	13,399,836	11,486,691	13,549,876
<b>Other non-financial liabilities</b>	20	<b>37,895,356</b>	<b>30,452,907</b>	<b>44,715,299</b>	<b>36,652,409</b>
<b>Total liabilities</b>		<b>1,967,191,880</b>	<b>1,909,127,625</b>	<b>1,935,472,096</b>	<b>1,865,369,922</b>
<b>Shareholders' equity</b>					
Capital	23.b	120,000,000	90,000,023	120,000,000	90,000,023
Instruments qualifying to common equity tier 1 capital	23.c	--	--	7,100,000	7,100,000
Capital reserves	23.d	1,406,118	1,402,523	1,407,902	1,404,253
Profit reserves	23.d	50,914,037	70,510,416	50,541,777	70,142,173
Other comprehensive income	23.h	(14,853,400)	(8,224,561)	(14,853,400)	(8,224,561)
Treasury shares	23.l	(266,471)	(270,840)	(268,255)	(272,570)
Retained earnings/accumulated losses		--	421,758	--	421,758
Non-controlling interest	23.i	--	--	3,752,223	3,457,767
<b>Total shareholders' equity</b>	23	<b>157,200,284</b>	<b>153,839,319</b>	<b>167,680,247</b>	<b>164,028,843</b>
<b>Total liabilities and equity</b>		<b>2,124,392,164</b>	<b>2,062,966,944</b>	<b>2,103,152,343</b>	<b>2,029,398,765</b>

See the accompanying notes to the financial statements.



## Statement of income

	Note	Banco do Brasil		Consolidated	
		1st half/2023	1st half/2022	1st half/2023	1st half/2022
<b>Income from financial intermediation</b>		<b>119,287,153</b>	<b>101,486,051</b>	<b>125,241,093</b>	<b>109,339,242</b>
Loan portfolio	12.b	64,199,500	51,122,618	65,281,046	58,208,478
Interbank investments	9.b	31,326,378	31,172,974	30,005,899	29,341,984
Securities	10.b	20,839,830	16,836,431	26,915,523	19,301,242
Derivative financial instruments	11.b	(463,772)	(1,384,677)	(640,613)	(1,370,713)
Reserve requirement	8.b	3,715,645	2,600,555	3,715,645	2,600,555
Other financial assets	13.e	(330,428)	1,138,150	(36,407)	1,257,696
<b>Expenses from financial intermediation</b>		<b>(80,100,082)</b>	<b>(67,763,398)</b>	<b>(80,862,739)</b>	<b>(72,899,347)</b>
Financial institutions resources	18.d	(40,584,360)	(37,797,095)	(36,199,828)	(41,023,429)
Customers resources	17.c	(27,519,814)	(21,516,631)	(32,448,918)	(23,461,749)
Resources from issuance of debt securities	19.d	(11,345,176)	(7,864,924)	(11,683,770)	(7,961,902)
Other funding expenses	20.c	(650,732)	(584,748)	(530,223)	(452,267)
<b>Allowance for losses associated with credit risk</b>		<b>(12,681,690)</b>	<b>(9,091,619)</b>	<b>(12,784,463)</b>	<b>(9,126,710)</b>
Loan portfolio	12.f	(12,575,338)	(9,063,877)	(12,643,789)	(9,067,329)
Other financial assets	13.c	(106,352)	(27,742)	(140,674)	(59,381)
<b>Net income from financial intermediation</b>		<b>26,505,381</b>	<b>24,631,034</b>	<b>31,593,891</b>	<b>27,313,185</b>
<b>Other operating income/expenses</b>		<b>(2,523,130)</b>	<b>(2,839,371)</b>	<b>(3,470,355)</b>	<b>(2,732,482)</b>
Service fee income	24	10,358,821	9,924,494	16,417,629	15,371,731
Personnel expenses	25	(10,297,869)	(9,665,217)	(11,409,187)	(10,533,582)
Other administrative expenses	26	(7,356,603)	(6,302,350)	(7,258,611)	(6,341,202)
Tax expenses	22.c	(2,673,466)	(2,348,867)	(3,996,018)	(3,281,721)
Net gains from equity method investments	14.a	7,476,261	5,607,701	3,487,349	2,604,171
Other income/expenses	27	(30,274)	(55,132)	(711,517)	(551,879)
<b>Provisions</b>	21.e	<b>(3,593,804)</b>	<b>(4,082,784)</b>	<b>(3,667,783)</b>	<b>(4,099,204)</b>
Provisions for civil, tax and labor claims		(3,652,873)	(3,975,370)	(3,726,596)	(3,992,096)
Other		59,069	(107,414)	58,813	(107,108)
<b>Operating income</b>		<b>20,388,447</b>	<b>17,708,879</b>	<b>24,455,753</b>	<b>20,481,499</b>
<b>Net non-operating Income</b>		<b>30,682</b>	<b>177,010</b>	<b>158,089</b>	<b>653,831</b>
<b>Profit before taxation and profit sharing</b>		<b>20,419,129</b>	<b>17,885,889</b>	<b>24,613,842</b>	<b>21,135,330</b>
<b>Income tax and social contribution</b>	22.a	<b>(1,860,954)</b>	<b>(1,819,741)</b>	<b>(4,266,027)</b>	<b>(3,808,773)</b>
<b>Employee and directors profit sharing</b>		<b>(2,113,818)</b>	<b>(1,823,078)</b>	<b>(2,121,383)</b>	<b>(1,828,031)</b>
<b>Non-controlling interest</b>	23.i	<b>--</b>	<b>--</b>	<b>(1,665,563)</b>	<b>(1,129,005)</b>
<b>Net income</b>		<b>16,444,357</b>	<b>14,243,070</b>	<b>16,560,869</b>	<b>14,369,521</b>
<b>Net income attributable to shareholders</b>					
Shareholders of the bank		16,444,357	14,243,070	16,560,869	14,369,521
Non-controlling interests		--	--	1,665,563	1,129,005
<b>Earnings per share</b>	23.e				
Weighted average number of shares – basic		2,853,992,740	2,853,771,411		
Weighted average number of shares – diluted		2,853,687,430	2,853,510,658		
Basic and diluted earnings per share (R\$)		5.76	4.99		

See the accompanying notes to the financial statements.



## Statement of comprehensive income

	Banco do Brasil		Consolidated	
	1st half/2023	1st half/2022	1st half/2023	1st half/2022
<b>Net income attributable to controlling interests</b>	<b>16,444,357</b>	<b>14,243,070</b>	<b>16,560,869</b>	<b>14,369,521</b>
Net income attributable to non-controlling interests	--	--	1,665,563	1,129,005
<b>Net income attributable to shareholders</b>	<b>16,444,357</b>	<b>14,243,070</b>	<b>18,226,432</b>	<b>15,498,526</b>
<b>Items that may be subsequently reclassified to the Statement of Income</b>				
<b>Financial assets available for sale</b>	<b>940,215</b>	<b>(1,185,753)</b>	<b>991,790</b>	<b>(1,233,212)</b>
Unrealized gains/(losses) on financial assets available for sale	378,652	(703,242)	643,937	(728,490)
Realized (gains)/losses on financial assets available for sale - reclassified to profit or loss	815,797	349,233	638,657	361,479
Tax effect	(254,234)	(831,744)	(290,804)	(866,201)
<b>Share in the comprehensive income of subsidiaries, associates and joint ventures</b>	<b>221,546</b>	<b>(63,952)</b>	<b>304,709</b>	<b>11,283</b>
Unrealized gains/(losses) on financial assets available for sale	273,839	(22,821)	259,775	(18,197)
Unrealized gains/(losses) on cash flow hedge	(190,367)	(190,420)	(190,367)	(190,420)
Unrealized gains/(losses) on other comprehensive income	191,932	74,269	298,294	111,919
Tax effect	(53,858)	75,020	(62,993)	107,981
<b>Investment Hedge Abroad</b>	<b>38,065</b>	<b>12,946</b>	<b>38,065</b>	<b>12,946</b>
Unrealized gains/(losses) on hedge of investment abroad	72,583	24,686	72,583	24,686
Tax effect	(34,518)	(11,740)	(34,518)	(11,740)
<b>Foreign currency exchange adjustments</b>	<b>(1,600,506)</b>	<b>(680,004)</b>	<b>(1,969,877)</b>	<b>(841,284)</b>
<b>Items that will not be subsequently reclassified to the Statement of Income</b>				
<b>Defined benefit pension plans</b>	<b>(6,228,159)</b>	<b>3,941,076</b>	<b>(6,228,159)</b>	<b>3,941,076</b>
Gains/(losses) related to remeasurement of defined benefit pension plans	(11,843,190)	7,451,647	(11,843,190)	7,451,647
Tax effect	5,615,031	(3,510,571)	5,615,031	(3,510,571)
<b>Other comprehensive income net of tax effects</b>	<b>(6,628,839)</b>	<b>2,024,313</b>	<b>(6,863,472)</b>	<b>1,890,809</b>
<b>Comprehensive income</b>	<b>9,815,518</b>	<b>16,267,383</b>	<b>11,362,960</b>	<b>17,389,335</b>
Comprehensive income attributable to controlling interests	9,815,518	16,267,383	10,038,392	16,393,834
Comprehensive income attributable to non-controlling interests	--	--	1,324,568	995,501

See the accompanying notes to the financial statements.



In thousands of Reais, unless otherwise stated

## Statement of changes in shareholders' equity

Banco do Brasil	Note	Capital	Capital reserves	Profit reserves		Other comprehensive income	Treasury shares	Retained earnings/accumulated losses	Total
				Legal reserve	Statutory reserves				
<b>Balances at Dec 31, 2021</b>		<b>90,000,023</b>	<b>1,399,561</b>	<b>10,237,793</b>	<b>41,273,377</b>	<b>(8,409,559)</b>	<b>(275,297)</b>	<b>--</b>	<b>134,225,898</b>
<b>Transition to CPC 50</b>		<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>(196,920)</b>	<b>--</b>	<b>321,003</b>	<b>124,083</b>
<b>Balance at January 01, 2022</b>		<b>90,000,023</b>	<b>1,399,561</b>	<b>10,237,793</b>	<b>41,273,377</b>	<b>(8,606,479)</b>	<b>(275,297)</b>	<b>321,003</b>	<b>134,349,981</b>
Accumulated other comprehensive income of financial instruments, net of taxes	23.h	--	--	--	--	(1,219,384)	--	--	(1,219,384)
Accumulated other comprehensive income - benefit plans, net of taxes	23.h	--	--	--	--	3,941,076	--	--	3,941,076
Foreign exchange variation of investments abroad	23.h	--	--	--	--	(680,004)	--	--	(680,004)
Cash flow hedge	23.h	--	--	--	--	(104,590)	--	--	(104,590)
Accumulated other comprehensive income - benefit plans of nonconsolidated entities, net of taxes	23.h	--	--	--	--	(2)	--	--	(2)
Hedge of net investment abroad	23.h	--	--	--	--	12,946	--	--	12,946
Other comprehensive income	23.h	--	--	--	--	74,271	--	--	74,271
Share-based payment transactions		--	2,962	--	--	--	4,457	--	7,419
Expired dividends and interest on own capital		--	--	--	--	--	--	5,979	5,979
Net income	23.g	--	--	--	--	--	--	14,243,070	14,243,070
Allocation - reserves	23.d	--	--	707,925	12,112,110	--	--	(12,820,035)	--
- Dividends	23.f	--	--	--	(443,296)	--	--	(571,257)	(1,014,553)
- Interest on own capital	23.f	--	--	--	(3,647,883)	--	--	(773,186)	(4,421,069)
<b>Balances at June 30, 2022</b>		<b>90,000,023</b>	<b>1,402,523</b>	<b>10,945,718</b>	<b>49,294,308</b>	<b>(6,582,166)</b>	<b>(270,840)</b>	<b>405,574</b>	<b>145,195,140</b>
<b>Changes in the period</b>		<b>--</b>	<b>2,962</b>	<b>707,925</b>	<b>8,020,931</b>	<b>2,024,313</b>	<b>4,457</b>	<b>84,571</b>	<b>10,845,159</b>
<b>Balances at Dec 31, 2022</b>		<b>90,000,023</b>	<b>1,402,523</b>	<b>11,777,636</b>	<b>58,732,780</b>	<b>(8,095,198)</b>	<b>(270,840)</b>	<b>--</b>	<b>153,546,924</b>
<b>Application to CPC 50</b>		<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>(129,363)</b>	<b>--</b>	<b>421,758</b>	<b>292,395</b>
<b>Balance at January 01, 2023</b>		<b>90,000,023</b>	<b>1,402,523</b>	<b>11,777,636</b>	<b>58,732,780</b>	<b>(8,224,561)</b>	<b>(270,840)</b>	<b>421,758</b>	<b>153,839,319</b>
Capital increase - capitalization of reserves	23.b	29,999,977	--	--	(29,999,977)	--	--	--	--
Accumulated other comprehensive income of financial instruments, net of taxes	23.h	--	--	--	--	1,072,802	--	--	1,072,802
Accumulated other comprehensive income - benefit plans, net of taxes	23.h	--	--	--	--	(6,228,159)	--	--	(6,228,159)
Foreign exchange variation of investments abroad	23.h	--	--	--	--	(1,600,506)	--	--	(1,600,506)
Cash flow hedge	23.h	--	--	--	--	(104,702)	--	--	(104,702)
Hedge of net investment abroad	23.h	--	--	--	--	38,065	--	--	38,065
Change in participation in the capital of associates/subsidiaries	23.h	--	--	--	--	(820)	--	--	(820)
Other comprehensive income	23.h	--	--	--	--	194,481	--	--	194,481
Share-based payment transactions		--	3,595	--	--	--	4,369	--	7,964
Expired dividends and interest on own capital		--	--	--	--	--	--	5,422	5,422
Net income	23.g	--	--	--	--	--	--	16,444,357	16,444,357
Allocation - reserves	23.d	--	--	822,218	14,704,846	--	--	(15,527,064)	--
- Dividends	23.f	--	--	--	(351,037)	--	--	(410,149)	(761,186)
- Interest on own capital	23.f	--	--	--	(4,772,429)	--	--	(934,324)	(5,706,753)
<b>Balances at June 30, 2023</b>		<b>120,000,000</b>	<b>1,406,118</b>	<b>12,599,854</b>	<b>38,314,183</b>	<b>(14,853,400)</b>	<b>(266,471)</b>	<b>--</b>	<b>157,200,284</b>
<b>Changes in the period</b>		<b>29,999,977</b>	<b>3,595</b>	<b>822,218</b>	<b>(20,418,597)</b>	<b>(6,628,839)</b>	<b>4,369</b>	<b>(421,758)</b>	<b>3,360,965</b>

See the accompanying notes to the financial statements.



Banco do Brasil S.A. – Financial Statements – June 30, 2023

In thousands of Reais, unless otherwise stated

BB Consolidated	Note	Capital	Instruments qualifying to common equity	Capital reserves	Profit reserves		Other comprehensive income	Treasury shares	Retained earnings/accumulated losses	Non-controlling interest	Total
					Legal reserve	Statutory					
<b>Balances at Dec 31, 2021</b>		<b>90,000,023</b>	<b>8,100,000</b>	<b>1,401,177</b>	<b>10,237,793</b>	<b>40,942,497</b>	<b>(8,409,559)</b>	<b>(276,913)</b>	--	<b>2,862,168</b>	<b>144,857,186</b>
<b>Transition to CPC 50</b>		--	--	--	--	--	<b>(196,920)</b>	--	<b>321,003</b>	<b>62,902</b>	<b>186,985</b>
<b>Balance at January 01, 2022</b>		<b>90,000,023</b>	<b>8,100,000</b>	<b>1,401,177</b>	<b>10,237,793</b>	<b>40,942,497</b>	<b>(8,606,479)</b>	<b>(276,913)</b>	<b>321,003</b>	<b>2,925,070</b>	<b>145,044,171</b>
Accumulated other comprehensive income of financial instruments, net of taxes	23.h	--	--	--	--	--	(1,219,384)	--	--	(9,872)	(1,229,256)
Accumulated other comprehensive income - benefit plans, net of taxes	23.h	--	--	--	--	--	3,941,076	--	--	--	3,941,076
Foreign exchange variation of investments abroad	23.h	--	--	--	--	--	(680,004)	--	--	(161,280)	(841,284)
Cash flow hedge	23.h	--	--	--	--	--	(104,590)	--	--	--	(104,590)
Hedge of net investment abroad	23.h	--	--	--	--	--	12,946	--	--	--	12,946
Accumulated other comprehensive income - benefit plans of nonconsolidated entities, net of	23.h	--	--	--	--	--	(2)	--	--	--	(2)
Other comprehensive income	23.h	--	--	--	--	--	74,271	--	--	37,650	111,921
Share-based payment transactions		--	--	3,076	--	--	--	4,343	--	349	7,768
Expired dividends and interest on own capital		--	--	--	--	--	--	--	5,979	18	5,997
Change in noncontrolling interest		--	--	--	--	--	--	--	--	92,863	92,863
Net income	23.g	--	--	--	--	--	--	--	14,369,521	1,129,006	15,498,527
Interest on instruments qualifying to common equity		--	--	--	--	--	--	--	(132,501)	--	(132,501)
Unrealized gains		--	--	--	--	(6,050)	--	--	6,050	--	--
Allocation - reserves	23.d	--	--	--	707,925	12,112,110	--	--	(12,820,035)	--	--
- Dividends	23.f	--	--	--	--	(443,296)	--	--	(571,257)	(695,938)	(1,710,491)
- Interest on own capital	23.f	--	--	--	--	(3,647,883)	--	--	(773,186)	--	(4,421,069)
<b>Balances at June 30, 2022</b>		<b>90,000,023</b>	<b>8,100,000</b>	<b>1,404,253</b>	<b>10,945,718</b>	<b>48,957,378</b>	<b>(6,582,166)</b>	<b>(272,570)</b>	<b>405,574</b>	<b>3,317,866</b>	<b>156,276,076</b>
<b>Changes in the period</b>		--	--	<b>3,076</b>	<b>707,925</b>	<b>8,014,881</b>	<b>2,024,313</b>	<b>4,343</b>	<b>84,571</b>	<b>392,796</b>	<b>11,231,905</b>
<b>Balances at Dec 31, 2022</b>		<b>90,000,023</b>	<b>7,100,000</b>	<b>1,404,253</b>	<b>11,777,636</b>	<b>58,364,537</b>	<b>(8,095,198)</b>	<b>(272,570)</b>	--	<b>3,309,533</b>	<b>163,588,214</b>
<b>Application to CPC 50</b>		--	--	--	--	--	<b>(129,363)</b>	--	<b>421,758</b>	<b>148,234</b>	<b>440,629</b>
<b>Balance at January 01, 2023</b>		<b>90,000,023</b>	<b>7,100,000</b>	<b>1,404,253</b>	<b>11,777,636</b>	<b>58,364,537</b>	<b>(8,224,561)</b>	<b>(272,570)</b>	<b>421,758</b>	<b>3,457,767</b>	<b>164,028,843</b>
Capital increase - capitalization of reserves	23.b	29,999,977	--	--	--	(29,999,977)	--	--	--	--	--
Accumulated other comprehensive income of financial instruments, net of taxes	23.h	--	--	--	--	--	1,072,802	--	--	28,376	1,101,178
Accumulated other comprehensive income - benefit plans, net of taxes	23.h	--	--	--	--	--	(6,228,159)	--	--	--	(6,228,159)
Foreign exchange variation of investments abroad	23.h	--	--	--	--	--	(1,600,506)	--	--	(369,371)	(1,969,877)
Cash flow hedge	23.h	--	--	--	--	--	(104,702)	--	--	--	(104,702)
Hedge of net investment abroad	23.h	--	--	--	--	--	38,065	--	--	--	38,065
Change in participation in the capital of associates/subsidiaries	23.h	--	--	--	--	--	(820)	--	--	--	(820)
Other comprehensive income	23.h	--	--	--	--	--	194,481	--	--	106,362	300,843
Share-based payment transactions		--	--	3,649	--	--	--	4,315	--	274	8,238
Expired dividends and interest on own capital		--	--	--	--	--	--	--	5,422	--	5,422
Change in noncontrolling interest		--	--	--	--	--	--	--	--	(3,562)	(3,562)
Net income	23.g	--	--	--	--	--	--	--	16,560,869	1,665,563	18,226,432
Interest on instruments qualifying to common equity		--	--	--	--	--	--	--	(120,529)	--	(120,529)
Unrealized gains		--	--	--	--	(4,017)	--	--	4,017	--	--
Allocation - reserves	23.d	--	--	--	822,218	14,704,846	--	--	(15,527,064)	--	--
- Dividends	23.f	--	--	--	--	(351,037)	--	--	(410,149)	(1,133,186)	(1,894,372)
- Interest on own capital	23.f	--	--	--	--	(4,772,429)	--	--	(934,324)	--	(5,706,753)
<b>Balances at June 30, 2023</b>		<b>120,000,000</b>	<b>7,100,000</b>	<b>1,407,902</b>	<b>12,599,854</b>	<b>37,941,923</b>	<b>(14,853,400)</b>	<b>(268,255)</b>	--	<b>3,752,223</b>	<b>167,680,247</b>
<b>Changes in the period</b>		<b>29,999,977</b>	--	<b>3,649</b>	<b>822,218</b>	<b>(20,422,614)</b>	<b>(6,628,839)</b>	<b>4,315</b>	<b>(421,758)</b>	<b>294,456</b>	<b>3,651,404</b>

See the accompanying notes to the financial statements.



## Statements of cash flows

	Note	Banco do Brasil		Consolidated	
		1st half/2023	1st half/2022	1st half/2023	1st half/2022
<b>Cash flows from operating activities</b>					
<b>Net income</b>		<b>16,444,357</b>	<b>14,243,070</b>	<b>16,560,869</b>	<b>14,369,521</b>
<b>Adjustments to net income</b>		<b>10,166,236</b>	<b>7,169,966</b>	<b>18,475,141</b>	<b>13,107,597</b>
Allowance for losses associated with credit risk	12	12,681,690	9,091,619	12,784,463	9,126,710
Depreciation and amortization		1,933,538	1,270,885	1,964,820	1,302,263
Exchange (gain) loss on the conversion of assets and liabilities into foreign currency		(4,586,412)	(4,109,848)	(6,839,087)	(5,708,915)
Share of (earnings) losses of subsidiaries, associates and joint ventures	14	(7,476,261)	(5,607,701)	(3,487,349)	(2,604,171)
(Gain) loss on the disposal of assets		(23,283)	(4,936)	(24,556)	(342,818)
Capital (gain) loss		(6,365)	(159,511)	(130,618)	(307,226)
Civil, tax and labor claims and other provisions	21.d	3,593,804	4,082,784	3,667,783	4,099,204
Adjustment of actuarial assets/liabilities and surplus allocation funds	29.d.4/f	(1,668,698)	(1,323,901)	(1,668,698)	(1,323,901)
Effect of changes in foreign exchange rates in cash and cash equivalents		3,824,449	2,114,498	5,956,499	3,925,022
Non-controlling interests		--	--	1,665,563	1,129,005
Income tax and social contribution		1,860,954	1,819,741	4,266,027	3,808,773
Other adjustments		32,820	(3,664)	320,294	3,651
<b>Adjusted net income</b>		<b>26,610,593</b>	<b>21,413,036</b>	<b>35,036,010</b>	<b>27,477,118</b>
<b>Changes in assets and liabilities</b>		<b>(40,411,006)</b>	<b>25,811,599</b>	<b>(38,315,240)</b>	<b>24,776,615</b>
(Increase) decrease in Central Bank compulsory reserves		(2,016,142)	(18,352,439)	(2,016,142)	(18,352,439)
(Increase) decrease in short-term interbank investments		(19,681,628)	(5,929,214)	(24,435,600)	(15,128,064)
(Increase) decrease in trading securities		(3,075,237)	3,304,197	(1,294,508)	1,116,591
(Increase) decrease in derivatives		(1,448,422)	(1,063,654)	(1,138,277)	21,851
(Increase) decrease in loans, net of provision		(46,473,838)	(40,711,953)	(47,455,542)	(34,585,018)
(Increase) decrease in other financial assets		(6,287,781)	(9,337,757)	(8,866,661)	(10,325,306)
(Increase) decrease in other assets		5,066,172	(8,265,788)	7,416,673	(7,427,030)
Income tax and social contribution paid		(1,079,879)	(980,570)	(4,798,686)	(3,883,176)
(Decrease) increase in customer resources		13,912,339	48,001,781	16,907,351	49,660,658
(Decrease) increase in financial institution resources		4,808,839	36,930,833	14,924,971	41,222,264
(Decrease) increase in funds from issuance of securities		47,733,878	31,688,144	46,577,615	30,177,328
(Decrease) increase in other financial liabilities		(26,006,859)	(31,146,857)	(28,708,252)	(29,189,666)
(Decrease) increase in other liabilities		(5,862,448)	21,674,876	(5,428,182)	21,468,622
<b>CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		<b>(13,800,413)</b>	<b>47,224,635</b>	<b>(3,279,230)</b>	<b>52,253,733</b>
<b>Cash flows from investing activities</b>					
Purchase of securities available for sale		(57,870,006)	(114,040,158)	(74,242,327)	(132,511,664)
Disposal of securities available for sale		91,010,793	102,008,613	102,974,570	117,603,739
Purchase of securities held to maturity		(886,096)	(2,041,653)	(1,061,226)	(2,845,564)
Disposal of securities held to maturity		368,580	1,394,823	368,580	1,394,823
Dividends received from associates and joint ventures		6,684,913	3,938,394	2,610,730	1,286,443
Purchase of property and equipment		(1,490,914)	(498,347)	(1,478,117)	(514,204)
Disposal of property and equipment		135	688	1,162	1,885
Purchase of intangible assets		(1,095,438)	(415,311)	(1,099,828)	(416,429)
Capital investment on Broto S.A.		(31,200)	--	(31,200)	--
Disposal of interest in Banco Digio S.A.		--	--	--	645,060
Capital (investment)/redemption in controlled interests abroad		(52,871)	--	--	--
<b>CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>		<b>36,637,896</b>	<b>(9,652,951)</b>	<b>28,042,344</b>	<b>(15,355,911)</b>
<b>Cash flows from financing activities</b>					
(Decrease) increase in subordinated debts		(6,927,646)	(12,119,541)	(6,916,721)	(12,105,293)
(Decrease) increase in equity and debt hybrid securities		(7,702,707)	(1,215,045)	(7,683,411)	(1,199,261)
Dividends paid to non-controlling shareholders		--	--	(1,274,231)	(624,715)
Interest on own capital paid		(6,498,168)	(5,547,218)	(6,498,168)	(5,547,218)
<b>CASH USED IN FINANCING ACTIVITIES</b>		<b>(21,128,521)</b>	<b>(18,881,804)</b>	<b>(22,372,531)</b>	<b>(19,476,487)</b>
<b>Net variation of cash and cash equivalents</b>		<b>1,708,962</b>	<b>18,689,880</b>	<b>2,390,583</b>	<b>17,421,335</b>
At the beginning of the period		67,891,204	51,538,341	68,826,279	54,494,681
Effect of changes in foreign exchange rates in cash and cash equivalents		(3,824,449)	(2,114,498)	(5,956,499)	(3,925,022)
At the end of the period		65,775,717	68,113,723	65,260,363	67,990,994
<b>Increase (decrease) in cash and cash equivalents</b>		<b>1,708,962</b>	<b>18,689,880</b>	<b>2,390,583</b>	<b>17,421,335</b>

See the accompanying notes to the financial statements.





## Statement of value added

	Note	Banco do Brasil		Consolidated	
		1st half/2023	1st half/2022	1st half/2023	1st half/2022
<b>Income</b>		<b>115,232,884</b>	<b>99,753,512</b>	<b>126,519,237</b>	<b>112,982,018</b>
Income from financial intermediation		119,287,153	101,486,051	125,241,093	109,339,242
Service fee income		10,358,821	9,924,494	16,417,629	15,371,731
Allowance for losses associated with credit risk		(12,681,690)	(9,091,619)	(12,784,463)	(9,126,710)
Capital gains		46,369	245,599	170,700	731,489
Other income/(expenses)		(1,777,769)	(2,811,013)	(2,525,722)	(3,333,734)
<b>Expenses from financial intermediation</b>		<b>(80,100,082)</b>	<b>(67,763,398)</b>	<b>(80,862,739)</b>	<b>(72,899,347)</b>
<b>Inputs purchased from third parties</b>		<b>(4,438,326)</b>	<b>(4,101,708)</b>	<b>(4,278,131)</b>	<b>(4,069,700)</b>
Materials, water, electric and gas	26	(247,724)	(291,316)	(263,663)	(303,743)
Expenses with outsourced services	26	(530,464)	(529,938)	(592,042)	(598,881)
Communications	26	(230,744)	(204,797)	(260,600)	(228,648)
Data processing	26	(746,426)	(505,209)	(444,631)	(328,016)
Transport	26	(289,501)	(275,994)	(319,160)	(302,474)
Security services	26	(641,921)	(582,732)	(660,492)	(599,093)
Financial system services	26	(340,159)	(439,380)	(390,291)	(491,234)
Advertising and marketing	26	(203,048)	(212,430)	(214,235)	(221,015)
Maintenance and upkeep	26	(584,286)	(511,391)	(385,907)	(364,570)
Other		(624,053)	(548,521)	(747,110)	(632,026)
<b>Gross added value</b>		<b>30,694,476</b>	<b>27,888,406</b>	<b>41,378,367</b>	<b>36,012,971</b>
Depreciation and amortization		(1,933,538)	(1,270,885)	(1,964,820)	(1,302,263)
<b>Value added produced by entity</b>		<b>28,760,938</b>	<b>26,617,521</b>	<b>39,413,547</b>	<b>34,710,708</b>
<b>Value added received through transfer</b>		<b>7,476,261</b>	<b>5,607,701</b>	<b>3,487,349</b>	<b>2,604,171</b>
Net gains from equity method investments		7,476,261	5,607,701	3,487,349	2,604,171
<b>Added value to distribute</b>		<b>36,237,199</b>	<b>32,225,222</b>	<b>42,900,896</b>	<b>37,314,879</b>
<b>Value added distributed</b>		<b>36,237,199</b>	<b>32,225,222</b>	<b>42,900,896</b>	<b>37,314,879</b>
<b>Personnel</b>		<b>13,310,588</b>	<b>11,985,562</b>	<b>14,383,552</b>	<b>12,813,528</b>
Salaries and fees		6,252,558	5,925,811	7,102,388	6,556,918
Employee and directors profit sharing		2,113,818	1,823,079	2,121,383	1,828,031
Benefits and staff training		1,826,751	1,675,311	1,921,902	1,758,257
FGTS (Government severance indemnity fund for employees)		409,383	385,302	424,457	401,050
Other charges		2,708,078	2,176,059	2,813,222	2,269,272
<b>Taxes, rates and contributions</b>		<b>5,790,487</b>	<b>5,345,872</b>	<b>9,568,424</b>	<b>8,312,625</b>
Federal		5,204,787	4,795,544	8,239,214	7,311,695
State		589	490	589	490
Municipal		585,111	549,838	1,328,621	1,000,440
<b>Interest on third parties' capital</b>		<b>691,767</b>	<b>650,718</b>	<b>722,688</b>	<b>690,200</b>
Rent	26	691,767	650,718	722,688	690,200
<b>Interest on own capital</b>		<b>16,444,357</b>	<b>14,243,070</b>	<b>18,226,432</b>	<b>15,498,526</b>
Federal government's interest on own capital		2,853,377	2,210,535	2,853,377	2,210,535
Other shareholders' interest on own capital		2,853,376	2,210,534	2,853,376	2,210,534
Federal government dividends		380,593	507,277	380,593	507,277
Dividends for other shareholders' dividends		380,593	507,276	380,593	507,276
Non-controlling interest's dividends		--	--	1,133,186	695,938
Interest on the instrument eligible to the federal government's common equity tier 1 capital		--	--	120,529	132,501
Retained earnings		9,976,418	8,807,448	9,972,401	8,801,398
Non-controlling interest in retained earnings		--	--	532,377	433,067

See the accompanying notes to the financial statements.



## 1 – The Bank and its operations

Banco do Brasil S.A. (Banco do Brasil or the Bank) is a publicly-traded company, which explores economic activity pursuant to art. 173 of the Brazilian Federal Constitution, subject to the rules of Brazilian Corporate Law, and is governed by Laws 4,595/1964, 13,303/2016 and the respective ruling Decree. The Brazilian Federal Government controls the Bank. Its headquarters and domicile are located at Setor de Autarquias Norte, Quadra 5, Lote B, Edifício Banco do Brasil, Brasília, Federal District, Brazil.

The Bank has its shares traded in the segment known as Novo Mercado of B3 S.A. – Brasil, Bolsa, Balcão (B3), under the ticker "BBAS3" and its American Depositary Receipts (ADRs) on the over-the-counter market in the United States under the ticker "BDORY". The Bank's shareholders, managers and members of the Fiscal Council are subject to the provisions of B3's Novo Mercado Regulation. The provisions of Novo Mercado will prevail over the statutory provisions, in case of prejudice to the rights of the recipients of the public offers provided for in the Bylaws.

The Bank is a multiple bank with operations throughout the national territory also develops activities in important global financial centers. The Bank's and its subsidiaries' business activities include the following:

- all active, passive and ancillary banking operations;
- banking and financial services, including foreign exchange transactions and other services such as insurance, pension plans, capitalization bonds, securities brokerage, credit/debit card management, consortium management, investment funds and managed portfolios; and
- all other types of transactions available to banks within Brazil's National Financial System.

The Bank also acts as an agent for execution of the Brazilian Federal Government's credit and financial policies, Brazilian Law requires the Bank to perform functions, specifically those under art. 19 of Law 4,595/1964:

- act as financial agent for the National Treasury;
- provide banking services on behalf of the Federal Government and other governmental agencies;
- provide clearing services for checks and other documents;
- buy and sell foreign currencies as determined by the National Monetary Council (CMN) for the Bank's own account and for the account of the Brazilian Central Bank (Bacen);
- provide receipt and payment services for Bacen, in addition to other services;
- finance the purchase and development of small and medium-sized farms; and
- disseminate and provide credit; among others.

With a history of 214 years, the Bank operates in a responsible manner to promote social inclusion through the generation of jobs and income.

The Bank finances the production and commercialization of agricultural goods; foster rural investments such as storage, processing, industrialization of agricultural products and modernization of machinery and implements; and adjust rural properties to environmental law. Thus, the Bank supports the Brazilian agribusiness in all stages of the production chain.

The Bank offers to micro and small companies working capital, financings for investments, and foreign trade solutions, in addition to several other options related to cash flow, insurance and related, and services. The Bank provides financing alternatives and business models that promote the transition to an inclusive economy to several companies, including Individual Microentrepreneurs (Microempreendedores Individuais – MEI).

In foreign trade financing, the Bank operates government policy instruments regarding productive development, entrepreneurship, social and financial inclusion, including the Income Generation Program (Programa de Geração e Renda – Exportação – Proger) and the Export Financing Program (Programa de Financiamento às Exportações – Proex).

More information about the subsidiaries is included in Note 2, while Note 6 contains a description of the Bank's business segments.



## 2 – Presentation of financial statements

### a) Statement of compliance

These financial statements have been prepared in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil (Cosif), including accounting guidelines issued by the Brazilian Corporate Law in compliance with the rules and instructions of the Brazilian Securities Commission (Comissão de Valores Mobiliários - CVM), when applicable. All relevant information specific to the financial statements is highlighted and corresponds to that used by Management in its administration.

The consolidated financial statements, prepared and disclosed according to the accounting standard "Cosif", permitted by article 77 of the CMN Resolution 4,966/2021, are disclosed "in addition" to the financial statements consolidated according to the international accounting reporting standard - IFRS, which were prepared in accordance with the provisions of CMN Resolution No. 4,818/2020.

These individual and consolidated financial statements were approved by the Board of Directors and authorized for issuance on August 8, 2023.

### b) Functional and presentation currency

These individual and consolidated financial statements are presented in Brazilian Reais, which is the Bank's functional and presentation currency. Unless otherwise indicated, the quantitative financial information is presented in thousands of Reais (R\$ thousand).

### c) Going concern

Management has assessed the Bank's ability to continue its normal operations and is convinced that it has the resources to continue its business in the future. In addition, Management is not aware of any material uncertainty that could generate significant doubts about its ability to continue operating. Thus, these individual and consolidated financial statements were prepared based on the assumption of going concern.

### d) Changes in accounting policies

These individual and consolidated financial statements were prepared using the same policies and accounting methods used to prepare the individual and consolidated financial statements for the year ended Dec 31, 2022, except in the cases indicated in item "g" of this Note.

### e) Consolidated financial statements

The consolidated financial statements include the operations of the Bank performed by their domestic agencies and abroad and also include the operations of the Bank's controlled entities. The consolidated financial statements reflect the assets, liabilities, income and expenses of Banco do Brasil and its controlled entities, in accordance with CPC 36 (R3) – Consolidated financial statements.

In the preparation of the consolidated financial statements, amounts resulting from transactions between consolidated companies, including the equity interest held by one in another, balances of balance sheet accounts, revenues, expenses and unrealized profits, net of tax effects, were eliminated. Non-controlling interest in net equity and in income of the controlled entities were separately disclosed in the financial statements. Exchange gains and losses on branch operations are presented in the income groups in which the income and charges on these operations are recognized. Exchange gains and losses on the assets and liabilities of branches and subsidiaries abroad are presented in the grouping of Resources from financial institutions, aiming to hedge foreign exchange losses and gains on the passive financial instruments contracted to protect the Bank's net income over exchange rate fluctuations (Notes 14.a and 18.d).

In the consolidated financial statements, there was a reclassification of the Instrument qualifying as CET1 - hybrid capital and debt instrument to Shareholder's equity. This adjustment is also performed in the financial statements according to the International Financial Reporting Standards - IFRS to improve the quality and transparency of these consolidated financial statements.



**Equity interest included in the consolidated financial statements, segregated by business segments:**

	Activity	Country of incorporation	Functional currency	June 30, 2023	Dec 31, 2022
				% of Total Share	
<b>Banking segment</b>					
Banco do Brasil AG	Banking	Austria	Real	100.00%	100.00%
BB Leasing S.A. – Arrendamento Mercantil	Leasing	Brazil	Real	100.00%	100.00%
Banco do Brasil Securities LLC.	Broker	USA	Real	100.00%	100.00%
BB Securities Ltd.	Broker	England	Real	100.00%	100.00%
BB USA Holding Company, Inc.	Holding	USA	Real	100.00%	100.00%
BB Cayman Islands Holding	Holding	Cayman Islands	Real	100.00%	100.00%
Banco do Brasil Americas	Banking	USA	American Dollar	100.00%	100.00%
Banco Patagonia S.A.	Banking	Argentina	Argentinian Peso	80.39%	80.39%
<b>Investment segment</b>					
BB Banco de Investimento S.A.	Investment bank	Brazil	Real	100.00%	100.00%
<b>Segment of fund management</b>					
BB Gestão de Recursos – Distribuidora de Títulos e Valores Mobiliários S.A. – BB Asset	Asset management	Brazil	Real	100.00%	100.00%
<b>Segment of insurance, private pension fund and capitalization</b>					
BB Seguridade Participações S.A. <sup>1</sup>	Holding	Brazil	Real	66.36%	66.36%
BB Corretora de Seguros e Administradora de Bens S.A. <sup>1</sup>	Broker	Brazil	Real	66.36%	66.36%
BB Seguros Participações S.A. <sup>1</sup>	Holding	Brazil	Real	66.36%	66.36%
<b>Segment of payment methods</b>					
BB Administradora de Cartões de Crédito S.A.	Service rendering	Brazil	Real	100.00%	100.00%
BB Elo Cartões Participações S.A.	Holding	Brazil	Real	100.00%	100.00%
<b>Other segments</b>					
Ativos S.A. Securitizadora de Créditos Financeiros	Credits acquisition	Brazil	Real	100.00%	100.00%
Ativos S.A. Gestão de Cobrança e Recuperação de Crédito	Collection management	Brazil	Real	100.00%	100.00%
BB Administradora de Consórcios S.A.	Consortium	Brazil	Real	100.00%	100.00%
BB Tur Viagens e Turismo Ltda.	Tourism	Brazil	Real	100.00%	100.00%
BB Asset Management Ireland Limited <sup>2</sup>	Asset management	Ireland	Real	--	100.00%
BB Tecnologia e Serviços <sup>1</sup>	IT	Brazil	Real	99.99%	99.99%
<b>Investment Funds</b>					
Fundo de Investimento em Direitos Creditórios – Bancos Emissores de Cartão de Crédito V <sup>3</sup>	Investment funds	Brazil	Real	83.64%	84.09%
BB Impacto ASG I Fundo em Investimento em Multiestratégia Investimento no Exterior <sup>3</sup>	Investment funds	Brazil	Real	100.00%	100.00%
BB Ventures I Fundo de Investimento em Participações Multiestratégia – Investimento no Exterior <sup>3</sup>	Investment funds	Brazil	Real	100.00%	100.00%
FIP Agventures II Multiestratégias <sup>3</sup>	Investment funds	Brazil	Real	54.42%	54.45%
BB Multi Criptoativos Full IE LP FIC FI <sup>4</sup>	Investment funds	Brazil	Real	--	63.96%
BB Asset Renda Fixa Plus FICFI <sup>4</sup>	Investment funds	Brazil	Real	--	52.99%
BB Asset Renda Fixa Crédito Privado Longo Prazo <sup>4</sup>	Investment funds	Brazil	Real	--	82.06%
BB Ações Seleção Fatorial Funci FI <sup>4</sup>	Investment funds	Brazil	Real	57.71%	72.10%
BB MM Multiestratégia LP Funci FIC FI <sup>4</sup>	Investment funds	Brazil	Real	58.40%	54.74%
BB Ações BRL Global Superdividendos Global X Superdividendos <sup>4</sup>	Investment funds	Brazil	Real	93.96%	100.00%
BB Multigestor Crédito Privado FIC FIM <sup>4</sup>	Investment funds	Brazil	Real	--	99.78%
BB Fx MM Allspring Climate Transition FI IE <sup>4</sup>	Investment funds	Brazil	Real	99.99%	100.00%
BB Ações FX Pictet Global Environmental Opportunities <sup>4</sup>	Investment funds	Brazil	Real	99.94%	100.00%
BB MM Global Select Equity Value IE FIC FI <sup>4</sup>	Investment funds	Brazil	Real	--	100.00%
BB Multimercado High Alpha LP FIC FI <sup>4</sup>	Investment funds	Brazil	Real	88.72%	--

1 – Refers to the percentage of the equity interest, considering the acquisition of shares by the invested entity held in treasury.

2 – Asset Manager closed on June 17, 2023.

3 – Investment funds in which the Bank substantially assumes or retains risks and benefits.

4 – Non-exclusive and open funds from the initial application of BB Asset's own resources, destined for sale to external investors, the referred entity does not have the intention to substantially assume or retain risks and benefits in these investment funds, which the Bank consolidates only in the months when most of the shares are still held by BB Asset.



The consolidated financial statements also include securitization vehicles and investment funds controlled by the Bank, directly or indirectly, described below.

#### Dollar Diversified Payment Rights Finance Company (SPE Dollar)

SPE Dollar was organized under the laws of the Cayman Islands for the following purposes:

- fund raising by issuance of securities in the international market;
- use of resources obtained by issuing securities to pay for the purchase, with the Bank, of the rights to payment orders issued by banking correspondents located in the U.S. and by the agency of BB New York, in U.S. dollars, for any agency in Brazil (Rights on Consignment); and
- making payments of principal and interest on securities issued and other payments defined in the contract of issuance of these securities.

The SPE pays the obligations under the securities with USD funds received from the payment orders. The SPE has no material assets or liabilities other than rights and obligations under the securities contracts. The SPE has no subsidiaries or employees.

#### Loans Finance Company Limited (SPE Loans)

SPE Loans was organized under the laws of the Cayman Islands for the following purposes:

- fund raising by issuance of securities in the international market;
- closing and booking repurchase agreements with the Bank;
- purchasing of protection against credit risk of the Bank through a credit derivative, which is actionable only in case of Bank's default in any of the obligations assumed in repurchase agreements.

The amounts, terms, currencies, rates and cash flows of the repurchase agreements are identical to those of the securities. The rights and income created from the repurchase agreements cover and match the obligations and expenses created by the securities. As a result, the SPE does not generate profit or loss. The SPE does not hold any assets and liabilities other than those from the repurchase agreements, credit default swap and outstanding securities.

#### Information for comparability purposes

For comparison purposes, the reclassification was made hindsight approach was selected, so that CPC-50 rules were applied to invested companies which were impacted by such standard, which had been adopted from January 1st 2023, and whose impacts were reflected in the Bank's Financial statements, with effects seen on investments in equity interests and onto the net worth.

We demonstrate below the effects of the adjustments made on the balance sheet and income statements. Consequently, the comparative balances of Statement of comprehensive income, Statement of changes in shareholders' equity, Statement of cash flows and Statement of value added were adjusted, as well as the respective explanatory notes.

#### Balance sheet

2022	Banco do Brasil			Consolidated		
	Original report	Adjustments	Restarted balances	Original report	Adjustments	Restarted balances
<b>Investments</b>	<b>35,750,416</b>	<b>292,395</b>	<b>36,042,811</b>	<b>18,353,643</b>	<b>440,629</b>	<b>18,794,272</b>
Investments in subsidiaries, associates and joint ventures	35,783,073	292,395	36,075,468	18,359,395	440,629	18,800,024
<b>Total Assets</b>	<b>2,062,674,549</b>	<b>292,395</b>	<b>2,062,966,944</b>	<b>2,028,958,136</b>	<b>440,629</b>	<b>2,029,398,765</b>
<b>Shareholders' Equity</b>	<b>153,546,924</b>	<b>292,395</b>	<b>153,839,319</b>	<b>163,588,214</b>	<b>440,629</b>	<b>164,028,843</b>
Other comprehensive income	(8,095,198)	(129,363)	(8,224,561)	(8,095,198)	(129,363)	(8,224,561)
Retained earnings/accumulated losses	--	421,758	421,758	--	421,758	421,758
Non-controlling interest	--	--	--	3,309,533	148,234	3,457,767
<b>Total liabilities and equity</b>	<b>2,062,674,549</b>	<b>292,395</b>	<b>2,062,966,944</b>	<b>2,028,958,136</b>	<b>440,629</b>	<b>2,029,398,765</b>

**Statement of income**

1st half/2022	Banco do Brasil			Consolidated		
	Original report	Adjustments	Restarted balances	Original report	Adjustments	Restarted balances
<b>Other Operating Income/Expenses</b>	<b>(2,923,942)</b>	<b>84,571</b>	<b>(2,839,371)</b>	<b>(2,859,924)</b>	<b>127,442</b>	<b>(2,732,482)</b>
Net gains from equity method investments	5,523,130	84,571	5,607,701	2,476,729	127,442	2,604,171
<b>Operating income</b>	<b>17,624,308</b>	<b>84,571</b>	<b>17,708,879</b>	<b>20,354,057</b>	<b>127,442</b>	<b>20,481,499</b>
<b>Profit Before Taxation and Profit Sharing</b>	<b>17,801,318</b>	<b>84,571</b>	<b>17,885,889</b>	<b>21,007,888</b>	<b>127,442</b>	<b>21,135,330</b>
<b>Non-controlling Interest</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>(1,086,134)</b>	<b>(42,871)</b>	<b>(1,129,005)</b>
<b>Net income</b>	<b>14,158,499</b>	<b>84,571</b>	<b>14,243,070</b>	<b>14,284,950</b>	<b>84,571</b>	<b>14,329,521</b>
<b>Net Income Attributable to Shareholders</b>						
Shareholders of the bank	14,158,499	84,571	14,243,070	14,284,950	84,571	14,369,521
Non-controlling interests	--	--	--	1,086,134	42,871	1,129,005

**f) Convergence to international accounting standards**

The Accounting Pronouncements Committee (CPC) issues pronouncements and accounting interpretations aligned with international accounting standards and approved by the CVM. CMN approved the following pronouncements, fully observed by the Bank, when applicable:

CPC	Resolutions
CPC 00 (R2) - Conceptual framework for Financial Reporting	CMN Resolution 4,924/2021
CPC 01 (R1) - Impairment of Assets	CMN Resolution 4,924/2021
CPC 03 (R2) - Statement of Cash Flows	CMN Resolution 4,818/2020
CPC 05 (R1) - Related Party Disclosures	CMN Resolution 4,818/2020
CPC 10 (R1) - Share-based Payment	CMN Resolution 3,989/2011
CPC 23 - Accounting Policies, Changes in Accounting Estimates and Errors	CMN Resolution 4,924/2021
CPC 24 - Events after the Reporting Period	CMN Resolution 4,818/2020
CPC 25 - Provisions, Contingent Liabilities and Contingent Assets	CMN Resolution 3,823/2009
CPC 33 (R1) - Employee Benefits	CMN Resolution 4,877/2020
CPC 41 - Earnings per Share	CMN Resolution 4,818/2020
CPC 46 - Fair Value Measurement	CMN Resolution 4,924/2021
CPC 47 - Revenue from Contracts with Customers	CMN Resolution 4,924/2021

CMN also issued proprietary rules that partially incorporate the pronouncements issued by the CPC and are applicable to the individual and consolidated financial statements:

CMN Standard	Equivalent CPC Pronouncement
CMN Resolution 4,524/2016 - recognition of foreign exchange hedging transactions for investments abroad.	CPC 48
CMN Resolution 4,534/2016 - accounting recognition and measurement of intangible asset components.	CPC 04 (R1)
CMN Resolution 4,535/2016 - Recognition and accounting record of the components of property and equipment in use.	CPC 27
CMN Resolution 4,817/2020 - accounting measurement and recognition of investments in associates, subsidiaries and joint ventures.	CPC 18 (R2) and CPC 45

In addition, it was published the CMN Resolution 3,533/2008, whose term began in January 2012, which established procedures for classification, recording and disclosure of sales operations or transfer of financial assets.

The Bank also applied the following pronouncements that are not in conflict with Bacen rules, as determined by article 22, paragraph 2, of Law No. 6,385/1976:

CPC Pronouncement
CPC 09 - Statement of Added Value (DVA)
CPC 12 - Present Value Adjustment
CPC 22 - Operating Segments
CPC 36 (R3) - Consolidated Financial Statements



## g) Recently issued standards, applicable or to be applied in future periods

### Standards applicable from January 1st, 2023

**CVM Resolution 42, of July 22, 2021.** The standard makes it mandatory for publicly-held companies to adopt Technical Pronouncement CPC 50 – Insurance Contracts, which establishes the principles for recognition, measurement, and disclosure of insurance contracts, aiming to ensure that an entity provides relevant information that faithfully represents these contracts. In addition, the new standard seeks to resolve some existing inadequacies in the wide variety of accounting practices in the insurance market, which impaired the comparability of accounting information from insurers.

Although the standard is not applicable to financial institutions, since Bacen does not regulate the insurance market, the Bank has been monitoring the progress of its implementation in the operational companies of the BB Seguridade group, which have insurance contracts within the regulatory scope. The impacts on these companies were recognized in the Bank's financial statements through equity equivalence, since they do not conflict with Bacen regulations, as determined by art. 22, §2, of Law No. 6,385/1976.

### Standards to be adopted in future periods

**CMN Resolution 4,966, of November 25, 2021.** The Resolution provides accounting concepts and criteria applicable to financial instruments, as well as designation and recognition of hedging (hedge accounting) by financial institutions and other institutions authorized to operate by Bacen, seeking to reduce the gaps between the accounting standards provided in Cosif and the international standards.

Resolution 4,966/2021 is effective as of January 1st, 2025, except for some normative items, which are effective as of January 1st, 2022.

The Bank started the assessment of the impacts of the adoption of the normative items in force as of January 1st, 2025, which will be subject to specific disclosure in the explanatory notes to the financial statements for the 2024 Results, as required by art. 78 of this Resolution, and has also prepared a plan for implementing the accounting regulation (plan), as required by article 76, being disclosed in the Financial Statements 2022.

**CMN Resolution 4,975, of December 16, 2021.** The standard establishes the accounting criteria applicable to leasing operations carried out by financial institutions and other institutions authorized to operate by Bacen as lessor and lessee. These institutions must observe CPC 06 (R2) - Leases, for the recognition, measurement, presentation and disclosure of leasing operations, according to specific regulations.

CPC 06 (R2) abandons the classification of leasing into operational and financial for lessees, and starts a single accounting model, which consists of the recognition of assets and liabilities arising from leasing operations. The standard does not require a lessee to recognize assets and liabilities of low-value and short-term leases.

For lessors, there will be change in the accounting of finance leasing, but without changing the form of disclosure, since these operations are already presented at the present value of the total amounts receivable provided for in the contract, including the allowance for losses associated with the credit risk, in compliance with BCB Resolution 2/2020.

CMN Resolution 4,975/2021 is effective as of January 1st, 2025.

The Bank has started to assess the impacts of the adoption of the new regulation, which will be concluded by the effective date.





### 3 – Description of significant accounting policies

The accounting practices adopted by Banco do Brasil are applied consistently in all periods presented in these financial statements and applied to all the entities of the Group Banco do Brasil.

#### a) Statement of income

In accrual basis accounting, revenues and expenses are reported in the closing process of the period in which they are incurred, regardless of receipt or payment. The operations with floating rates are adjusted pro rata die, based on the variation of the indexes agreed, and operations with fixed rates are recorded at future redemption value, adjusted for the unearned income or prepaid expenses for future periods. The operations indexed to foreign currencies are converted at the reporting date using current rates.

#### b) Present value measurement

Financial assets and liabilities are presented at present value due to the application of the accrual basis in the recognition of their interest income and expenses.

Non-contractual liabilities are primarily represented by provisions for lawsuit and legal obligations, for which the disbursement date is uncertain and is not under the Bank's control. They are measured at present value because they are initially recognized at estimated disbursement value on the valuation date and are updated monthly.

#### c) Cash and cash equivalents

They comprise cash and cash equivalents and short-term investments readily convertible into cash, with a maximum maturity of three months from the date of acquisition, to be used in short-term commitments, and subject to an insignificant risk of change in value. The balances of cash and cash equivalents in local currency, foreign currency, investments in repurchase agreements – bank position, investments in interbank deposits and investments in foreign currencies were considered.

#### d) Interbank investments

Interbank investments are recorded at their investment or acquisition amount, plus income accrued up to the balance sheet date and adjustments for allowance for losses.

#### e) Securities

Securities are recorded at the actually paid amount and are classified according to the intention of the Bank's Management into three different categories, according to Bacen Circular 3,068/2001:

Trading Securities: these are securities purchased to be actively and frequently traded. They are adjusted monthly to fair value. The increases and decreases in value are recorded in income and expense accounts for the period;

Securities available for sale: these are securities that may be traded at any time but are not acquired to be actively and frequently traded. They are adjusted monthly to market value and their increases and decreases in value are recorded, net of tax effects, in Accumulated other comprehensive income in Shareholders' equity; and

Securities held to maturity: these are securities that the Bank owns and has the financial capacity and intent to hold to maturity. These securities are not adjusted to market value. The Bank's financial capacity to hold to maturity is supported by a cash flow projection that does not consider the possibility of sale of these securities.

The fair value methodology used for securities was established following consistent, verifiable criteria, which consider the average price of trading on the day of calculation or, if not available, the indicative price reported by Anbima (Brazilian Financial and Capital Markets Association), or relationship between the unit price and the latest business value in the last 30 day, or the net expected realizable value obtained through pricing models, using credit risk curves, expected credit losses, future values of interest rates, foreign exchange rates, price and currency indices, and similar financial instruments.

Earnings from bonds and securities are appropriated to income for the period, observing the accrual basis of accounting until the date of maturity or final sale.

Impairment of securities classified as available for sale and held to maturity, if considered not to be temporary, are recorded directly in expense for the period and a new cost basis for the asset is determined.

Upon sale, the difference between the sale amount and the cost of purchase plus accrued income is considered as a result of the transaction and is recorded on the date of the transaction as a gain or loss on securities.





#### **f) Derivative financial instruments**

Derivative financial instruments are adjusted to market value at each monthly trial balance and balance sheet date. Increases or decreases in value are recorded in the appropriate income or expense accounts.

The fair value methodology used for derivative financial instruments was established following consistent and verifiable criteria, which consider the closing price, or adjustment, when applicable, on the day of calculation or, if not available, pricing models that estimate the expected net realizable value, or the price of a similar financial instrument, considering at least, the payment or maturity date, the currency or index, and the credit risk associated with the counterparty.

Derivative financial instruments used to offset, in whole or in part, the risks arising from exposure to variations in the fair value or asset cash flow or financial liabilities, commitment or future transaction, are considered hedge instruments and are classified according to their nature:

Market risk hedge: increases or decreases in value of the financial instruments, as well as of the hedged item, are recorded in income/expense accounts for the period;

Cash flow hedge: the effective portion of the increases or decreases in value of the derivative financial instruments classified in this category are recorded, net of tax effects, in Accumulated other comprehensive income in Shareholders' equity. The effective amount is that in which the variation of the hedged item, directly related to the corresponding risk, is offset by the variation in the financial instrument used for the hedge, considering the accumulated effect of the transaction. Other variations in these instruments are recorded directly in the statement of income for the period; and

Hedge of net investment abroad: the financial instruments classified in this category are intended to offset the risks arising from exposure to foreign exchange variation of investments abroad whose functional currency is different from the national currency and must be recorded in accordance with the accounting procedures defined for the hedge of cash flow.

#### **g) Loan portfolio for loan losses associated with credit risk**

The loan portfolio consists of loan operations, leases, advances on foreign exchange contracts and other receivables with loan characteristics which are classified according to Management's judgment with respect to the level of risk, taking into consideration market conditions, past experience and specific risks in relation to the transaction, to borrowers and guarantors, observing the parameters established by CMN Resolution 2,682/1999, which requires periodic analyses of the portfolio and its classification into nine levels, ranging from AA (minimum risk) to H (maximum risk), as well as the classification of transactions more than 15 days overdue as non-performing. For atypical transactions with a term of more than 36 months, there is a double counting on the days-past-due intervals defined for the nine levels of risk, as permitted by CMN Resolution 2,682/1999.

Income from loans overdue for more than 60 days, regardless of their risk level, will only be recognized as income when effectively received.

The operations classified as level H risk are written off against the existing allowance after six months of classification in this level of risk, and they are delayed more than 180 days.

Renegotiated transactions are maintained, at a minimum, at the same level at which they were rated on the date of renegotiation. The renegotiations of loans already written off against the allowance are rated as H level and any gains from renegotiation are recognized as income when effectively received. Reclassification to a lower risk category is allowed when there is significant amortization of the transaction or when new material facts justify a change in risk level, according to CMN Resolution 2,682/1999.

Allowance for loan losses, considered sufficient by management, satisfies the minimum requirement established by the aforementioned CMN Resolution 2,682/1999.

Financial leasing operations are presented at the present value of the total amounts receivable provided in the contract, including the provision for losses associated with credit risk.

**h) Taxes**

Taxes are calculated based on the rates shown in the table below:

Taxes	Rate
Income tax (15.00% + additional 10.00%)	25.00%
Social Contribution on Net Income - CSLL	20.00%
Social Integration Program/Public servant fund program(PIS/Pasep) <sup>1</sup>	0.65%
Contribution to Social Security Financing – (Cofins)	4.00%
Tax on services of any kind – (ISSQN)	Up to 5.00%

1 - For non-financial firms that have opted for the non-cumulative regime of calculation, the PIS/PASEP rate is 1.65% and the Cofins rate is 7.6%.

Deferred tax assets (tax credits) and deferred tax liabilities are recognized by applying the current tax rates on their respective bases. For the constitution, maintenance and write-off of the deferred tax assets, the criteria established by CMN Resolution No. 4,842/2020 are observed, supported by a study of realization capacity.

**i) Investments, property, plant and equipment and intangible assets**

**Investments:** investments in subsidiaries, associates and joint ventures in which the Bank has significant influence or an ownership interest of 20% or more of the voting shares, and in other companies which are part of a group or are under common control are accounted for by the equity method based on the Shareholders' equity of the subsidiaries, associates and joint ventures.

The cash flows related to dividends and interest on equity received are presented separately in the statement of cash flows, being consistently classified, from period to period, as arising from investment activities.

In the consolidated financial statements, the subsidiaries are fully consolidated, and the associates and joint ventures are accounted under the equity method.

**Property and equipment:** property and equipment are stated at acquisition cost less the impairment losses and depreciation, calculated using the straight-line method by the useful life of the asset. Depreciation of property and equipment in use is recorded in the Other administrative expenses account.

**Intangible:** intangible assets consist of rights over intangible assets used in the running of the Bank, including acquired goodwill.

An asset meets the criteria for identification as an intangible asset, when it is separable, i.e, it can be separated from the entity and sold, transferred or licensed, rented or exchanged, individually or jointly with a contract, related assets or liabilities, regardless of the intention for use by the entity; or results from contractual rights or other legal rights, regardless of whether these rights are transferable or separable from the entity or other rights and obligations.

Goodwill based on expected future profitability is amortized against the income for the period, in accordance with the annual income projections contained in the economic-financial studies that supported the purchase price of the businesses and are annually to the impairment test of the recoverable value of assets.

The other intangible assets with finite useful lives compromise: disbursements for the acquisition of rights to provide banking services (rights to managing payrolls), amortized over the terms of contracts; software, amortized on a straight-line basis by the useful life from the date it is available for use. Intangible assets are adjusted by allowance for impairment losses, if applicable. The amortization of intangible assets is recorded in the Other administrative expenses account.

**j) Impairment of non-financial assets**

Non-financial assets are reviewed to see if there is any indication that they may have depreciated, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

If there is any indication of devaluation, the Bank estimates the asset's recoverable value, which is the higher of its fair value, less costs to sell it, and its value in use.

If the recoverable amount of the asset is less than its carrying amount, the asset's carrying amount is reduced to its recoverable amount through a provision for impairment, which is recognized in the Income statement.



Methodologies in assessing the recoverable amount of the main non-financial assets:

Property and equipment in use

Land and buildings – To determine the recoverable amounts of land and buildings, data from market indices, statistical tests based on data from sales of owned properties and technical evaluations are used in accordance with the rules of the Brazilian Association of Technical Standards – ABNT.

Data processing equipment – when available, the Bank uses market values to determine the recoverable amount of relevant data processing equipment, considering market rates for similar goods, substitutes or the same type of goods, based on internal or external sources. If Banco do Brasil cannot obtain reliable data to estimate the market price, the Bank assesses whether the expected benefits from the use of these assets still justify its best recovery value, qualifying the information that justifies this analysis.

Other items of property and equipment – these items are individually insignificant or fully depreciated. Although subject to evaluation of impairment indicators, the Bank does not determine their recoverable amount on an individual basis due to cost benefit considerations. However, the Bank controls these assets through a systematized register and conducts an annual inventory counts and writes off assets that are lost or showing signs of deterioration.

Intangible

Rights due to the acquisition of payrolls – the recoverability of acquired payroll contracts is determined based on the contribution margin of the client relationships generated under each contract. The objective is to determine if the projections that justified the initial acquisition correspond to actual performance. An impairment loss is recognized on underperforming contracts.

Software – the Bank continuously invests in the modernization and adequacy of its internally developed software to accompany new technologies and meet the demands of the business. Since there is no similar software in the market, and because of the significant cost associated with developing models to calculate value in use, the Bank evaluates the ongoing utility of its software to test for impairment, that consists of evaluating its usefulness for the company so that, whenever a software goes out of use, its value is written off in accounting.

The losses recorded in the Statement of Income to adjust the recoverable value of these assets, if any, are stated in the respective notes.

Investments and goodwill on the acquisition of investments

The methodology for determining the recoverable amount of investments and goodwill based on expected future profitability consists of measuring the expected result of the investment through discounted cash flow. To measure this result, the assumptions adopted are based on i) projections of the companies' operations, results and investment plans; ii) macroeconomic scenarios developed by the Bank; and iii) internal methodology for calculating the cost of capital based on the Capital Asset Pricing Model – CAPM.

**k) Employee benefits**

Employee benefits related to short-term benefits for current employees are recognized on the accrual basis as the services are provided. Post-employment benefits, comprising supplementary retirement benefits and medical assistance for which the Bank is responsible, are assessed in accordance with criteria established by CPC 33 (R1) - Employee benefits, approved by CVM Resolution 110/2022 and by the CMN Resolution 4,877/2020. The evaluations are carried out at least every six months or less when applicable.

In defined-contribution plans, the actuarial risk and the investment risk are borne by the plan participants. Accordingly, cost accounting is based on each period's contribution amount representing the Bank's obligation. Consequently, no actuarial calculation is required when measuring the obligation or expense, and there are neither actuarial gains nor losses.

In defined benefit plans, the actuarial risk and the investment risk value of plan assets fall substantially on the sponsoring entity. Accordingly, cost accounting requires the measurement of plan obligations and expenses, with a possibility of actuarial gains and losses, leading to the register of a liability when the amount of the actuarial obligation exceeds the value of plan assets, or an asset when the amount of assets exceeds the value of plan obligations. In the latter instance, the asset should be recorded only when there is evidence that it can effectively reduce the contributions from the sponsor or will be refundable in the future.

The Bank recognizes the components of defined benefit cost in the period in which the actuarial valuation was performed, in accordance with criteria established by CPC 33 (R1), as follows:



- the current service cost and the net interest on the net defined benefit liability (asset) are recognized in profit or loss; and
- the remeasurements of the net defined benefit liability (asset) resulting from changes in actuarial assumptions are recognized in Accumulated other comprehensive income in Shareholders' equity, net of tax effects. And, according to the normative provision, these effects recognized directly in equity should not be reclassified to the result in subsequent periods.

Contributions to be paid by the Bank to medical assistance plans in some cases will continue after the employee's retirement. Therefore, the Bank's obligations are evaluated by the present actuarial value of the contributions to be paid over the expected period in which the plan participants and beneficiaries will be covered by the plan. Such obligations are evaluated and recognized under the same criteria used for defined benefit plans.

#### **l) Deposits and Securities sold under repurchase agreements**

Deposits and Securities sold under repurchase agreements are recorded at the amount of the liabilities and include, when applicable, related charges up to the balance sheet date, on a daily pro rata die basis.

#### **m) Provisions, contingent assets and liabilities and legal obligations**

The Bank recognizes a provision when:

- the Bank has a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of economic benefits will be required to settle the obligation; and
- the amount of the obligation can be reasonably estimated.

The Bank recognizes provisions based on its best estimate of the probable losses.

The Bank continually monitors lawsuits in progress to evaluate, among other factors:

- the nature and complexity;
- the progress of the proceedings;
- the opinion of the Bank's lawyers; and
- the Bank's experience with similar proceedings.

In determining whether a loss is probable, the Bank considers:

- the likelihood of loss resulting from claims that occurred prior to or on the reporting date that were identified after that date but prior to issuance of the financial statements; and
- the need to disclose claims or events occurring after the reporting date but prior to the issuance of the financial statements.

Contingent assets are not recognized in the financial statements. However, when there is evidence assuring their realization, usually represented by the final judgment of the lawsuit and by the confirmation of the capacity for its recovery by receipt or offsetting by another receivable, they are recognized as assets.

The Bank recognizes tax liabilities for taxes that are the object of legal discussions regarding their constitutionality. In these cases, the Bank recognizes an obligation to the government and a judicial deposit in the same amount, however, no payment is made until the Courts reach a final decision.

#### **n) Debt instrument issue expense**

Expenses related to transactions involving the issue of debt instruments are capitalized and presented as a reduction of the corresponding liability. The expenses are recognized in the income statement over the term of the transaction.



#### **o) Assets held for sale**

##### Investments held for sale

They refer to investments in associates, subsidiaries and joint ventures that the Bank expects to realize through their sale, are available for immediate sale and their disposal is highly probable. From the moment the Bank decides to sell them, these assets are measured at the lower of:

- (i) the net book value, less provisions for impairment losses; and
- (ii) fair value, measured in accordance with specific regulations, net of selling expenses.

Any difference between the net book value of the asset and the fair value less costs to sell is recognized in profit or loss for the period.

##### Non-financial assets held for sale

These not covered by the concept of financial assets, according to specific regulations, and refer mainly to properties not in use received in the settlement of credit operations that are difficult or doubtful to resolve.

They are initially recognized in the appropriate account grouping item of current or noncurrent assets realizable in the long term, according to the expected sale term, on the date of their receipt by the Bank, being valued at the lowest value between:

- (i) the gross book value of the respective credit operation that is difficult or doubtful to resolve; and
- (ii) the fair value of the asset, assessed in accordance with specific regulations, net of selling expenses.

Any difference between the book value of the respective difficult or doubtful financial instrument, net of provisions, and the fair value is recognized in the income statement for the period.

#### **p) Other assets and liabilities**

Other assets are stated at their realizable amounts, including, when applicable, related income and monetary and exchange variations on a pro rata die basis, and allowance for losses, when deemed appropriate. Other liabilities are stated at their known and measurable amounts, plus, when applicable, related charges and monetary and exchange variations on a pro rata die basis.

#### **q) Earnings per share**

Two different methods are used to calculate earnings per share:

- basic earnings per share: calculated by dividing net income attributable to the Bank's shareholders by the weighted average number of common shares outstanding during each of the periods presented; and
- diluted earnings per share: calculated by dividing net income attributed to the Bank's shareholders by the weighted average of outstanding common shares, adjusted to reflect the effect of all dilutable common shares.

#### **r) Conversion of operations in foreign currency**

**Functional and presentation currency** – These individual and consolidated financial statements are presented in Brazilian Reais, which is the Bank's functional and presentation currency. The functional currency is the currency of the main economic environment in which an entity operates. For all of the Group entities, the functional currency is the Real (except for BB Americas and Banco Patagonia).

The financial statements of branches and subsidiaries abroad follow the accounting criteria in force in Brazil and are converted into the Real currency, preliminarily under the equity method, as provided for in CMN Resolution 4,817/2020.

The investees abroad whose Real is the functional currency have their financial statements translated based on the daily balances of each accounting sub-heading, considering the daily variation of the exchange rate, and their effects are recognized in contra-entry to the investee's income.



For investees abroad whose functional currency is other than the Brazilian Real, assets and liabilities are translated at the exchange rate on the respective balance sheet date and income and expenses are translated at the average exchange rate for the period, and their effects are recognized in Other Comprehensive Income, in the investor's Shareholders' Equity.

**s) Non-recurring results**

As defined by BCB Resolution 2/2020, non-recurring results are those that are not related or are only incidentally related to the institution's typical activities and are not expected to occur frequently in future years. The information on the recurring and non-recurring results is included in Note 31.



## 4 – Significant Judgments and accounting estimates

The preparation of financial statements requires the application of certain relevant assumptions and judgments that involve a high degree of uncertainty and that may have a material impact on these statements. Accordingly, it requires Management to make judgments and use estimates that affect the recognized amounts of assets, liabilities, income and expenses. These adopted estimates and assumptions are reviewed on an ongoing basis, with the revisions recognized in the period in which the estimate is reassessed, with prospective effects. It should be noted that actual results may differ from these estimates.

There are certain alternatives to accounting treatments. The Bank's results may differ if alternative accounting principles had been used. Management believes its choice of accounting principles to be appropriate and that the individual and consolidated financial statements present fairly, in all material respects, the consolidated financial position and results of the Bank's operations.

Significant classes of assets and liabilities subject to estimates and the use of assumptions cover items for which fair value valuation is required. The following components of the consolidated financial statements require the highest degree of judgment and use of estimates:

### a) Fair value of financial instruments

When it is impossible to determine the fair value of financial assets and liabilities based on price derivatives from an active market, they are measured using valuation techniques based on mathematical models. The inputs to these models come from observable market data, whenever available. If there is not enough information to apply the aforementioned criteria, other technical and judgmental parameters are adopted, duly approved by the Organization's Risk Governance.

The methodologies used to assess the fair value of certain financial instruments are shown in Note 30.a.

### b) Allowance for losses associated with credit risk of the loan portfolio

The loan portfolio is classified according to Management's judgment on the risk level. Economic situation, past experience and specific risks in relation to the operation, to debtors and guarantors, are taken into account, observing the parameters established by CMN Resolution 2,682/1999, which requires periodic portfolio analysis and its classification into nine risk levels (rating), AA (minimum risk) and H (maximum risk), as well as the classification of operations overdue for more than 15 days as non-performing. For non-performing loan with a maturity of more than 36 months, double counting over the delay intervals defined for the nine risk levels is carried out, as provided by CMN Resolution 2,682/1999.

Allowance for losses is constituted or reversed according to the risk levels established by CMN Resolution 2,682/1999, considering the risk levels attributed to the operations.

The allowance is considered sufficient by Management and meets the minimum requirement established by CMN Resolution 2,682/1999.

### c) Permanent loss of securities

Securities are subject to periodic evaluation by the Permanent Loss Assessment Forum, which is responsible for identifying problematic assets, pursuant to CMN Resolution 4,557/2017, proposing the marking of new problematic assets, assessing the need of an asset to be subject to impairment test and the impact of any loss within the scope of the Conglomerate.

A problematic asset is characterized when there is a pending settlement for more than ninety days or there are indications that the asset will not be realized without the need to resort to guarantees and collateral. Indications that the asset will not be realized are: when the Bank considers that the debtor no longer has the financial capacity to honor its obligation, if the Bank recognizes a significant deterioration in the credit quality of the debtor, if the operation is subject to renegotiation that implies a concession of advantages to the debtor as a result of the deterioration of its creditworthiness or of its mitigators (debt restructuring), if the Bank asks for bankruptcy or other similar attitude towards the debtor, or if the debtor requests any type of judicial measure that limits, delay or prevent the fulfillment of its obligations under the agreed conditions.





The problematic assets can be reverted to the condition of normal course assets as long as there is evidence that the debtor has resumed its ability to honor its obligations under the agreed conditions. It is analyzed whether the debtor is not responsible for any pending arrears for more than ninety days, whether the asset no longer meets the criteria of problematic assets, whether continuous and effective payments have occurred in a period of not less than 3 months and whether the debtor's financial situation has improved to such an extent that the realization of the asset is probable.

#### **d) Impairment of non-financial assets**

At each reporting date, based on internal and external sources of information, the Bank determines if there are any indicators that a non-financial asset may be impaired. If an indicator does exist, the Bank calculates the asset's recoverable amount, which is the highest of: (i) its fair value less costs to sell it; and (ii) its value in use.

Regardless any indicator of impairment, the Bank tests the recoverable value of intangible assets not yet available for use and of goodwill in the acquisition of investments, at least annually, always at the same period.

If the asset's recoverable amount is less than its carrying amount, the carrying amount is reduced to its recoverable amount by recording an impairment loss.

Determining the recoverable amount of non-financial assets requires Management to exercise judgment and make assumptions. These estimates are based on market prices, present value calculations, other pricing techniques, or a combination of these methods.

#### **e) Income taxes**

Income and gains generated by the Bank are subject to income taxes in the jurisdictions in which the Bank operates. The determination of income taxes requires interpretation and the use of estimates. In the ordinary course of business, the final amount of income tax payable is uncertain for many different types of transactions and calculations. In these cases, the use of different interpretations and estimates may have resulted in different tax amounts being recorded.

Brazilian tax authorities can review the calculations made by the Bank and its subsidiaries for up to five years subsequent to the date on which a tax becomes due. During this process, the tax authorities may question the procedures adopted by the Bank, mainly with respect to the interpretation of tax legislation. However, Management believe that will not be required any significant adjustments to the income tax recorded in these financial statements.

#### **f) Recognition and assessment of deferred taxes**

Deferred tax assets are calculated on temporary differences and tax loss carryforwards. They are only recognized when the Bank expects to generate sufficient taxable income in the future to offset the amounts. The expected realization of the Bank's deferred tax assets is based on projections of future income and technical analyses in line with current tax legislation

The Bank reviews the estimates involved in the recognition and valuation of deferred tax assets based on current expectations and projections about future events and trends. The most important assumptions affecting these estimates relate to:

- (i) changes in the amounts deposited, delinquencies and customer base;
- (ii) changes in tax law;
- (iii) changes in interest rates;
- (iv) changes in inflation rates;
- (v) legal claims with an adverse impact on the Bank;
- (vi) credit, market and other risks associated with lending and investing activities;
- (vii) changes in the fair value of Brazilian securities, especially Brazilian government securities; and
- (viii) changes in domestic and global economic conditions.





### **g) Pensions and other employee benefits**

The Bank sponsors defined contribution and defined benefit pension plans, accounted for in accordance with CPC 33 (R1). Actuarial valuations for defined benefit plans are based on a series of assumptions, including:

- (i) interest rates;
- (ii) mortality tables;
- (iii) annual rate applied to the revision of retirement benefits;
- (iv) inflation index;
- (v) annual salary adjustment; and
- (vi) the method used to calculate vested benefit obligations for active employees.

Changes in these assumptions can have significant impact on the amounts determined.

### **h) Provisions, contingent assets and liabilities and legal obligations**

The recognition, measurement and disclosure of provisions, contingent assets and liabilities and legal obligations are carried out in accordance with the criteria defined by CPC 25.

Contingent assets are not recognized in the financial statements, however, they are recognized as assets when there is evidence assuring their realization, usually represented by the final judgment of the lawsuit and by the confirmation of the capacity for its recovery by receipt or offsetting by another receivable.

Contingent liabilities are recognized in the financial statements when, based on the opinion of legal advisor and Management, the risk of loss of legal or administrative proceedings is considered probable, with a probable outflow of financial resource for the settlement of the obligation and when the amounts involved are measurable with sufficient assurance, being quantified when judicial noticed and revised monthly as follows:

Aggregated Method: cases that are similar and recurring in nature and whose values are not considered individually significant. Provisions are based on statistical data. It covers civil or labor judicial proceedings (except labor claims filed by trade unions and all proceedings classified as strategic) with probable value of award, estimated by legal advisors, up to R\$ 1 million. The aggregated method covers all processes, regardless of the assessment carried out by the legal advisors.

Individual Method: cases considered unusual or whose value is considered relevant by our legal advisor. Provisions are based on the amount claimed; probability of an unfavorable decision; evidence presented; evaluation of legal precedents; other facts raised during the process; judicial decisions made during the course of the case; and the classification and the risk of loss of legal actions.

Contingent liabilities subject to individual method considered as possible losses are not recognized in the financial statements, they are disclosed in notes, while those classified as remote do not require any provision or disclosure.

Legal obligations (fiscal and social security) are derived from tax obligations provided in the legislation are fully recognized in the financial statements.



## 5 – Acquisitions, disposals and corporate restructuring

### a) Disposal of indirect equity interest

On October 8, 2021, the Board of Directors approved the sale of the entire indirect equity interest held in Banco Digio S.A., by BB Elo Cartão Participações S.A., a wholly owned subsidiary of the Bank. The sale contract of 49.99% interest, for R\$ 645 million, was signed on that date with Bradescard Elo Participações S.A., a company owned by Banco Bradesco S.A.

The transaction was approved by the Administrative Council for Economic Defense on November 24, 2021, and by the Central Bank of Brazil on February 04, 2022, being effective on February 25, 2022, after concluding the corporate movements and the consequent financial settlement of the operation, providing a net result of R\$ 222,981 thousand, as shown below:

	1st half/2022
1) Capital gain of BB Elo Cartões Participações S.A. <sup>1</sup>	337,850
2) Taxes	(114,869)
3) Impact on the Consolidated Income, net of tax effects (1+2)	222,981

1 - Recognized in the Statement of Income as "Non-operating income".

### b) Corporate Reorganization of the Interbank Payments Chamber – CIP Associação

On February 25, 2022, according to the Extraordinary General Meeting held on the same date by the members of the Interbank Payments Chamber (CIP Associação), the corporate reorganization "demutualization" of CIP Associação was approved, through its partial spin-off and merger of the assets spun off by CIP S.A.

CIP Associação is a non-profit civil association that integrates the Brazilian Payments System (SPB) and acts as an infrastructure for the financial market, offering solutions and services that integrate technology, innovation and security to financial transactions carried out in the country. The Bank holds a 12.9062% interest in its capital stock, recognized at the historical cost of R\$ 7,055 thousand.

CIP S.A. is a corporation that did not carry out its own activity and did not have liabilities or obligations of any nature, being a legal entity with a for-profit purpose that will incorporate the portion to be spun off from CIP Associação. The partial spin-off has the purpose of demutualizing CIP Associação, so that its economic activities are no longer carried out through an associative legal structure, being developed by CIP S.A., in the form of a corporation.

The equity of CIP Associação, based on the financial statements of December 31, 2021, was R\$ 1,921,165 thousand, of which R\$ 1,915,544 thousand (99.7073860%) was spun off and transferred to CIP S.A., as appraisal report prepared by a specialized company.

Due to the demutualization, with the spun-off portion being transferred to the entity resulting from the spin-off, the associates received common shares issued by CIP S.A. in proportion to their respective shares in CIP Associação, which in the case of the Bank is 12.9062%.

In this context, the Bank considered CIP S.A. as an associated equity interest, due to the existence of significant influence, characterized by the representation on the Board of Directors of this investee, recognizing the book value of the spun-off assets by equity method, in the financial statements of the 1st half/2022, whose effects on the result are shown below:

	1st half/2022
1) Book value of the spun-off assets, proportional to the interest held by the Bank of 12.9062% <sup>1</sup>	247,224
2) Cost value resulting from the spin-off (99.7073860% of the historical cost value recorded at the Bank)	7,035
3) Capital gain (1-2) <sup>2</sup>	240,189
4) Taxes	(108,085)
5) Impact on the Consolidated income, net of tax effects (3+4)	132,104

1 - According to the appraisal report prepared by a specialized company, considering the equity value of CIP Associação, calculated based on the financial statements of December 31, 2021.

2 - Recognized in the Statement of Income as "Non-operating income".



### **c) Incorporation of Broto**

On January 04, 2023, according to the General Shareholders' Meeting, held on the same date by the Bank and the Brasilseg Companhia de Seguros S.A. (Brasilseg), indirect associated company through BB Seguridade Participações S.A., the incorporation of Broto S.A. was approved, after obtaining regulatory authorizations from Bacen, Sest and Cade. Broto began to conduct the business of the Broto Digital Platform (Broto Platform), which operates as a marketplace focused on the agribusiness production chain, previously managed by Brasilseg.

the Bank holds 100% of the preferred shares without voting rights, which are equivalent to 50% of Broto's total capital, and Brasilseg, 100% of the common shares, completing 100% of the capital of that share. Due to the 50% interest in the total capital of the new company, Brasilseg contributed with of a portion in cash and another part through the transfer of assets and rights wich were associated to Broto Plataform, previously held by the Insurer, totaling an investment of R\$ 31.2 million. This same amount was paid by the Bank to subscribe the shares corresponding to the other 50% of the total capital of the new company.

The corporate documents provide for the granting, by Brasilseg, of a call option to BB on the totality of the shares held by it in Broto, exercisable upon payment of the entire amount contributed by the Insurer to Broto, adjusted by the CDI accumulated in the period, within a period of up to 12 months from the date of signature of the shareholders' agreement, renewable for an equal period.

From its incorporation, the investment was initially recognized at cost and subsequently measured using the equity method.



## 6 – Information by segment

The segment information was prepared based on internal reports used by the Executive Board of Directors to assess performance and make decision about the allocation of fund for investment and other purposes. The framework also takes into account the regulatory environment and the similarities between goods and services. The information was prepared based on internal management reports (Management Information), reviewed regularly by Management.

The Bank's operations were mainly in Brazil, divided into five segments: banking, investments, fund management, insurance (insurance, pension and capitalization) and payment methods. The Bank also engages in other activities, including consortium business and other services aggregated in "Other Segments".

The measurement of managerial income and of managerial assets and liabilities by segment takes into account all income and expenses as well as all assets and liabilities recorded by the controlled companies (Note 2). There were no common income or expenses nor common assets or liabilities allocated between the segments, for any distribution criteria.

Transactions between segments were eliminated in the column "Intersegment transactions". They were conducted at the same terms and conditions as those practiced with unrelated parties for similar transactions. These transactions do not involve any unusual payment risks.

None of the Bank's customers individually account for more than 10% of the Bank's income.

### a) Banking segment

The result was mainly from operations in Brazil with a wide array of products and services, including deposits, loans and services provided to customers through different distribution channels, located in the country and abroad.

The banking segment includes business with the retail, wholesale and public sector, which were carried out by the Bank's network and customer service teams. It also engages in business with micro-entrepreneurs and low-income population, undertaken through banking correspondents.

### b) Investments segment

This segment was responsible for operations in the domestic capital markets, acting in intermediation and distribution of debts in the primary and secondary markets, as well as being responsible for equity investments and the rendering of some financial services.

The income from financial intermediation of this segment were the accrued interest on securities investments net of interest expenses from third party funding costs. The principal equity investments were those in the associates, subsidiary companies and joint ventures. Financial service fee income were from economic/financial advisory services and the underwriting of fixed and variable income.

### c) Fund management segment

This segment comprises purchase, sale and custody of securities, portfolio management, and management of investment funds and clubs. Income consists mainly of commissions and management fees for services charged to investors.

### d) Insurance, pension and capitalization segment

In this segment, products and services offered were related to life, property and automobile insurance, private pension and capitalization plans.

The income were mainly from revenues from insurance premiums issued, contributions to private pension plans, capitalization bonds and investments in securities. The amounts offset by selling cost, technical insurance provision and expenses related to benefits and redemptions.

### e) Payment method segment

This segment comprises funding, transmission, processing and settlement of operations via electronic means.

Revenues were mainly from commissions and management fees charged to businesses and financial institutions for the services rendered, as well as income from rent, installation and maintenance of electronic terminals.

**f) Other segments**

Other segments comprise the consortium management and other services segments, which have been aggregated as they were not individually significant.

Their revenues were originated mainly from rendering services not covered in previous segments, such as: credit recovery; consortium management; development, manufacturing, sale, lease and integration of digital electronic systems and equipment, peripherals, programs, inputs and computing supplies.

**g) Information of external customers by geographic region**

	1st half/2023		1st half/2022	
	Brazil	Abroad	Brazil	Abroad
<b>Income from external customers</b>	<b>141,616,109</b>	<b>9,587,800</b>	<b>120,917,799</b>	<b>12,587,341</b>
<b>Income from financial intermediation</b>	<b>116,575,608</b>	<b>8,665,485</b>	<b>97,610,662</b>	<b>11,728,580</b>
Loan portfolio	64,539,063	741,983	49,923,043	8,285,435
Interbank investments	27,732,149	2,273,750	29,163,820	178,164
Securities	21,769,597	5,145,926	16,823,089	2,478,153
Derivative financial instruments	(740,515)	99,902	(1,555,805)	185,092
Reserve requirement	3,715,645	--	2,600,555	--
Other financial assets	(440,331)	403,924	655,960	601,736
<b>Other income</b>	<b>25,040,501</b>	<b>922,315</b>	<b>23,307,137</b>	<b>858,761</b>
Service fee income	15,640,702	776,927	14,702,781	668,950
Share of earnings (losses) of associates and joint ventures	3,487,349	--	2,604,171	--
Other	5,912,450	145,388	6,000,185	189,811
<b>Non current assets<sup>1</sup></b>	<b>40,373,196</b>	<b>130,566</b>	<b>33,912,438</b>	<b>235,595</b>

1 - Except for financial instruments, deferred tax assets and post-employment benefit assets.

Revenues from abroad were mainly obtained by operations held by the branches in South America in the 1st half/2023 (Europe in the 1st half/2022).



In thousands of Reais, unless otherwise stated

### h) Breakdown of managerial income by segment and reconciliation with accounting income

	1st half/2023							
	Managerial Information by Segment							
	Banking	Investments	Fund Management	Insurance, pension and capitalization	Payment methods	Other segments	Intersegment transactions	BB Consolidated
<b>Income from financial intermediation</b>	<b>124,658,819</b>	<b>628,644</b>	<b>164,742</b>	<b>58,229</b>	<b>238,597</b>	<b>283,091</b>	<b>(791,029)</b>	<b>125,241,093</b>
Loan portfolio	65,290,036	--	--	--	--	--	(8,990)	65,281,046
Interbank investments	30,391,114	202	110,535	--	--	286,087	(782,039)	30,005,899
Securities	25,745,679	821,831	54,203	58,229	238,597	(3,016)	--	26,915,523
Derivative financial instruments	(447,408)	(193,389)	--	--	--	--	184	(640,613)
Reserve requirement	3,715,645	--	--	--	--	--	--	3,715,645
Other financial assets	(36,247)	--	4	--	--	(164)	--	(36,407)
<b>Expenses from financial intermediation</b>	<b>(81,339,795)</b>	<b>(397,299)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>(320,179)</b>	<b>1,194,534</b>	<b>(80,862,739)</b>
Financial institutions resources	(36,997,063)	(397,299)	--	--	--	--	1,194,534	(36,199,828)
Customers resources	(32,448,918)	--	--	--	--	--	--	(32,448,918)
Resources from issuance of debt securities	(11,363,591)	--	--	--	--	(320,179)	--	(11,683,770)
Other funding expenses	(530,223)	--	--	--	--	--	--	(530,223)
<b>Allowance for losses associated with credit risk</b>	<b>(12,751,256)</b>	<b>(12,649)</b>	<b>--</b>	<b>--</b>	<b>(630)</b>	<b>(19,928)</b>	<b>--</b>	<b>(12,784,463)</b>
Loan portfolio	(12,643,789)	--	--	--	--	--	--	(12,643,789)
Other financial assets	(107,467)	(12,649)	--	--	(630)	(19,928)	--	(140,674)
<b>Other income</b>	<b>17,034,001</b>	<b>162,528</b>	<b>1,642,378</b>	<b>4,987,609</b>	<b>1,203,824</b>	<b>2,761,216</b>	<b>(1,828,740)</b>	<b>25,962,816</b>
Service fee income	11,052,482	106,427	1,636,471	2,400,442	24,167	2,001,499	(803,859)	16,417,629
Share of earnings (losses) of associates and joint ventures	279,242	--	--	2,293,453	927,487	--	--	3,487,349
Other	5,702,277	68,934	5,907	293,714	252,170	759,717	(1,024,881)	6,057,838
<b>Other expenses</b>	<b>(28,206,653)</b>	<b>(95,129)</b>	<b>(266,405)</b>	<b>(542,208)</b>	<b>(125,814)</b>	<b>(1,464,108)</b>	<b>1,425,235</b>	<b>(29,275,082)</b>
Personnel expenses	(11,053,555)	(71,280)	(71,721)	(41,458)	(3,172)	(229,147)	3,146	(11,409,187)
Other administrative expenses	(5,686,293)	(20,083)	(32,893)	(58,867)	(672)	(307,449)	812,466	(5,293,791)
Amortization	(1,166,797)	--	--	(415)	--	--	(2,214)	(1,169,426)
Depreciation	(777,001)	--	--	(10)	--	--	(18,383)	(795,394)
Tax expenses	(3,232,989)	(24,700)	(117,991)	(295,915)	(38,702)	(285,721)	--	(3,996,018)
Other	(6,290,018)	(37,066)	(43,800)	(145,543)	(83,268)	(621,194)	609,623	(6,611,266)
<b>Provisions</b>	<b>(3,623,214)</b>	<b>(4)</b>	<b>(14,104)</b>	<b>(11,065)</b>	<b>(118)</b>	<b>(19,278)</b>	<b>--</b>	<b>(3,667,783)</b>
Provisions for civil, tax and labor claims	(3,682,428)	(4)	(14,104)	(11,065)	(118)	(18,877)	--	(3,726,596)
Other	59,214	--	--	--	--	(401)	--	58,813
<b>Profit before taxation and profit sharing</b>	<b>15,771,902</b>	<b>286,091</b>	<b>1,526,611</b>	<b>4,492,565</b>	<b>1,315,859</b>	<b>1,220,814</b>	<b>--</b>	<b>24,613,842</b>
Income tax and social contribution	(2,234,653)	(133,654)	(601,325)	(740,123)	(167,658)	(388,614)	--	(4,266,027)
Employee and directors profit sharing	(2,113,818)	--	(1,211)	--	--	(6,354)	--	(2,121,383)
Non-controlling interest	(397,823)	--	--	(1,255,808)	--	(11,932)	--	(1,665,563)
<b>Net income</b>	<b>11,025,608</b>	<b>152,437</b>	<b>924,075</b>	<b>2,496,634</b>	<b>1,148,201</b>	<b>813,914</b>	<b>--</b>	<b>16,560,869</b>
<b>Balance sheet</b>								
Interbank investments	436,877,453	2,051	1,138,063	4,353,880	1,728,273	6,332,542	(17,919,761)	432,512,501
Securities and derivative financial instruments	435,998,807	4,299,721	1,663,931	1,401,822	3,502,809	484,766	(939,974)	446,411,882
Loan portfolio net of provisions	871,002,899	--	--	--	--	--	(119,604)	870,883,295
Investments	26,950,622	1,032,991	--	7,970,209	4,880,597	23	(20,823,221)	20,011,221
Other assets	329,597,548	932,710	782,544	2,744,989	723,999	8,585,904	(10,034,250)	333,333,444
<b>Total assets</b>	<b>2,100,427,329</b>	<b>6,267,473</b>	<b>3,584,538</b>	<b>16,470,900</b>	<b>10,835,678</b>	<b>15,403,235</b>	<b>(49,836,810)</b>	<b>2,103,152,343</b>
<b>Liabilities</b>	<b>1,935,020,122</b>	<b>5,382,554</b>	<b>2,154,185</b>	<b>8,121,013</b>	<b>231,006</b>	<b>11,917,174</b>	<b>(27,353,958)</b>	<b>1,935,472,096</b>
Customers resources	768,604,126	--	--	--	--	--	(73,400)	768,530,726
Financial institutions resources	675,630,042	4,593,792	--	--	--	119,604	(18,038,679)	662,304,759
Resources from issuance of debt securities	252,793,641	--	--	--	--	9,218,916	--	262,012,557
Provisions	26,007,185	804	56,902	27,355	173	373,332	(45,235)	26,420,516
Other liabilities	211,985,128	787,958	2,097,283	8,093,658	230,833	2,205,322	(9,196,644)	216,203,538
<b>Shareholders' equity</b>	<b>165,407,207</b>	<b>884,919</b>	<b>1,430,353</b>	<b>8,349,887</b>	<b>10,604,672</b>	<b>3,486,061</b>	<b>(22,482,852)</b>	<b>167,680,247</b>
<b>Total liabilities and equity</b>	<b>2,100,427,329</b>	<b>6,267,473</b>	<b>3,584,538</b>	<b>16,470,900</b>	<b>10,835,678</b>	<b>15,403,235</b>	<b>(49,836,810)</b>	<b>2,103,152,343</b>



In thousands of Reais, unless otherwise stated

	1st half/2022							
	Managerial Information by Segment							
	Banking	Investments	Fund Management	Insurance, pension and capitalization	Payment methods	Other segments	Intersegment transactions	BB Consolidated
<b>Income from financial intermediation</b>	<b>109,076,180</b>	<b>265,435</b>	<b>128,681</b>	<b>1,866</b>	<b>197,328</b>	<b>143,903</b>	<b>(474,151)</b>	<b>109,339,242</b>
Loan portfolio	58,216,512	--	--	--	--	--	(8,034)	58,208,478
Interbank investments	29,547,886	3,680	108,167	--	--	148,368	(466,117)	29,341,984
Securities	18,821,821	264,148	20,514	1,866	197,328	(4,435)	--	19,301,242
Derivative financial instruments	(1,368,320)	(2,393)	--	--	--	--	--	(1,370,713)
Reserve requirement	2,600,555	--	--	--	--	--	--	2,600,555
Other financial assets	1,257,726	--	--	--	--	(30)	--	1,257,696
<b>Expenses from financial intermediation</b>	<b>(73,337,031)</b>	<b>(206,002)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>(95,294)</b>	<b>738,980</b>	<b>(72,899,347)</b>
Financial institutions resources	(41,556,407)	(206,002)	--	--	--	--	738,980	(41,023,429)
Customers resources	(23,461,749)	--	--	--	--	--	--	(23,461,749)
Resources from issuance of debt securities	(7,866,608)	--	--	--	--	(95,294)	--	(7,961,902)
Other funding expenses	(452,267)	--	--	--	--	--	--	(452,267)
<b>Allowance for losses associated with credit risk</b>	<b>(9,107,807)</b>	<b>(15,018)</b>	<b>(4)</b>	<b>--</b>	<b>--</b>	<b>(3,881)</b>	<b>--</b>	<b>(9,126,710)</b>
Loan portfolio	(9,067,329)	--	--	--	--	--	--	(9,067,329)
Other financial assets	(40,478)	(15,018)	(4)	--	--	(3,881)	--	(59,381)
<b>Other income</b>	<b>16,401,375</b>	<b>258,194</b>	<b>1,637,796</b>	<b>3,848,300</b>	<b>1,234,498</b>	<b>2,071,893</b>	<b>(1,286,158)</b>	<b>24,165,898</b>
Service fee income	10,523,256	185,198	1,632,213	2,137,160	24,257	1,532,925	(663,278)	15,371,731
Share of earnings (losses) of associates and joint ventures	424,542	10,997	--	1,505,174	663,458	--	--	2,604,171
Other	5,453,577	61,999	5,583	205,966	546,783	538,968	(622,880)	6,189,996
<b>Other expenses</b>	<b>(25,204,257)</b>	<b>(66,465)</b>	<b>(233,745)</b>	<b>(503,630)</b>	<b>(54,332)</b>	<b>(1,203,449)</b>	<b>1,021,329</b>	<b>(26,244,549)</b>
Personnel expenses	(10,224,628)	(9,791)	(57,107)	(33,938)	(3,009)	(207,488)	2,379	(10,533,582)
Other administrative expenses	(5,305,577)	(19,517)	(31,946)	(50,967)	(1,987)	(288,153)	659,207	(5,038,940)
Amortization	(576,082)	--	--	(428)	--	(2,213)	--	(578,723)
Depreciation	(708,956)	--	--	(9)	--	(14,574)	--	(723,539)
Tax expenses	(2,643,553)	(19,800)	(114,895)	(253,739)	(27,306)	(222,428)	--	(3,281,721)
Other	(5,745,461)	(17,357)	(29,797)	(164,549)	(22,030)	(468,593)	359,743	(6,088,044)
<b>Provisions</b>	<b>(4,098,225)</b>	<b>751</b>	<b>9,771</b>	<b>43</b>	<b>--</b>	<b>(11,544)</b>	<b>--</b>	<b>(4,099,204)</b>
Provisions for civil, tax and labor claims	(3,991,117)	751	9,771	43	--	(11,544)	--	(3,992,096)
Other	(107,108)	--	--	--	--	--	--	(107,108)
<b>Profit before taxation and profit sharing</b>	<b>13,730,235</b>	<b>236,895</b>	<b>1,542,499</b>	<b>3,346,579</b>	<b>1,377,494</b>	<b>901,628</b>	<b>--</b>	<b>21,135,330</b>
Income tax and social contribution	(1,892,311)	(96,838)	(614,952)	(627,619)	(273,264)	(303,789)	--	(3,808,773)
Employee and directors profit sharing	(1,823,079)	--	(1,363)	--	--	(3,589)	--	(1,828,031)
Non-controlling interest	(213,877)	--	--	(914,475)	--	(653)	--	(1,129,005)
<b>Net income</b>	<b>9,800,968</b>	<b>140,057</b>	<b>926,184</b>	<b>1,804,485</b>	<b>1,104,230</b>	<b>593,597</b>	<b>--</b>	<b>14,369,521</b>
<b>Balance sheet</b>								
Interbank investments	543,528,683	5,226	2,060,630	4,019,065	1,997,461	6,046,167	(17,995,883)	539,661,349
Securities and derivative financial instruments	404,477,863	3,868,621	642,533	17,033	3,484,340	313,588	(964,597)	411,839,381
Loan portfolio net of provisions	769,500,151	--	--	--	--	--	(133,186)	769,366,965
Investments	25,321,449	997,682	--	7,329,427	4,572,058	25	(19,421,363)	18,799,278
Other assets	349,189,588	832,888	462,511	2,128,242	649,163	4,531,672	(5,426,731)	352,367,333
<b>Total assets</b>	<b>2,092,017,734</b>	<b>5,704,417</b>	<b>3,165,674</b>	<b>13,493,767</b>	<b>10,703,022</b>	<b>10,891,452</b>	<b>(43,941,760)</b>	<b>2,092,034,306</b>
<b>Liabilities</b>	<b>1,938,013,221</b>	<b>4,840,776</b>	<b>1,819,304</b>	<b>5,932,746</b>	<b>323,552</b>	<b>7,716,469</b>	<b>(23,031,261)</b>	<b>1,935,614,807</b>
Customers resources	718,670,496	--	--	--	--	--	(210,012)	718,460,484
Financial institutions resources	772,100,514	4,023,046	--	--	--	133,186	(18,128,846)	758,127,900
Resources from issuance of debt securities	209,732,375	--	--	--	--	5,852,060	--	215,584,435
Provisions	38,260,865	839	6,756	17,839	60	303,837	(1,749)	38,588,447
Other liabilities	199,248,971	816,891	1,812,548	5,914,907	323,492	1,427,386	(4,690,654)	204,853,541
<b>Shareholders' equity</b>	<b>154,004,513</b>	<b>863,641</b>	<b>1,346,370</b>	<b>7,561,021</b>	<b>10,379,470</b>	<b>3,174,983</b>	<b>(20,910,499)</b>	<b>156,419,499</b>
<b>Total liabilities and equity</b>	<b>2,092,017,734</b>	<b>5,704,417</b>	<b>3,165,674</b>	<b>13,493,767</b>	<b>10,703,022</b>	<b>10,891,452</b>	<b>(43,941,760)</b>	<b>2,092,034,306</b>



In thousands of Reais, unless otherwise stated

**7 – Cash and due from banks**

	Banco do Brasil		Consolidated	
	June 30, 2023	Dec 31, 2022	June 30, 2023	Dec 31, 2022
<b>Cash and due from banks</b>	<b>18,574,583</b>	<b>12,808,085</b>	<b>22,541,168</b>	<b>18,310,546</b>
Local currency	10,788,908	8,405,499	10,791,808	8,407,179
Foreign currency	7,785,675	4,402,586	11,749,360	9,903,367
<b>Interbank investments <sup>1</sup></b>	<b>47,201,134</b>	<b>55,083,119</b>	<b>42,719,195</b>	<b>50,515,733</b>
Securities purchased under resale agreements – guaranteed by securities not repledged/re-sold	--	9,999	2,128,967	4,107,564
Interbank deposits	46,479,146	55,073,120	39,868,240	46,408,169
Foreign currency	721,988	--	721,988	--
<b>Total</b>	<b>65,775,717</b>	<b>67,891,204</b>	<b>65,260,363</b>	<b>68,826,279</b>

1 - Investments whose original maturity is less than or equal to 90 days and with insignificant risk of change in fair value.





## 8 – Compulsory deposits with Bacen

### a) Breakdown

	Banco do Brasil		Consolidated	
	June 30, 2023	Dec 31, 2022	June 30, 2023	Dec 31, 2022
Savings deposits	41,126,478	40,035,817	41,126,478	40,035,817
Demand deposits	17,650,372	20,204,006	17,650,372	20,204,006
Time deposits	35,086,793	32,959,214	35,086,793	32,959,214
Instant payment account	2,082,221	1,394,199	2,082,221	1,394,199
Electronic currency deposits	348,134	472,046	348,134	472,046
Resources for microfinance	141,231	53,803	141,231	53,803
Discretionary deposits at the Central Bank	699,998	--	699,998	--
Current assets	97,135,227	95,119,085	97,135,227	95,119,085
Non-current assets	--	--	--	--
<b>Total</b>	<b>97,135,227</b>	<b>95,119,085</b>	<b>97,135,227</b>	<b>95,119,085</b>

### b) Reserve requirement

	Banco do Brasil		Consolidated	
	1st half/2023	1st half/2022	1st half/2023	1st half/2022
Savings deposits	1,593,809	1,381,079	1,593,809	1,381,079
Time deposit requirements	2,121,836	1,219,476	2,121,836	1,219,476
<b>Total</b>	<b>3,715,645</b>	<b>2,600,555</b>	<b>3,715,645</b>	<b>2,600,555</b>



## 9 – Interbank investments

### a) Breakdown

	Banco do Brasil		Consolidated	
	June 30, 2023	Dec 31, 2022	June 30, 2023	Dec 31, 2022
<b>Securities purchased under resale agreement</b>	<b>381,662,035</b>	<b>356,434,683</b>	<b>383,702,744</b>	<b>360,620,668</b>
<b>Reverse repos - own resources</b>	--	<b>378,662</b>	<b>2,276,054</b>	<b>4,564,647</b>
Treasury financial bills	--	9,999	3,036	13,635
National Treasury bills	--	368,663	194,133	368,662
National Treasury notes	--	--	41,444	--
Other securities	--	--	2,037,441	4,182,350
<b>Reverse repos - financed position</b>	<b>381,662,035</b>	<b>356,056,021</b>	<b>381,426,690</b>	<b>356,056,021</b>
National Treasury notes	217,616,434	247,312,465	217,575,076	247,312,465
Treasury financial bills	79,838,702	--	79,838,702	--
National Treasury bills	83,126,363	107,411,310	82,932,376	107,411,310
Other securities	1,080,536	1,332,246	1,080,536	1,332,246
<b>Interbank deposits <sup>1</sup></b>	<b>108,598,804</b>	<b>122,026,512</b>	<b>48,809,757</b>	<b>55,252,770</b>
<b>Total</b>	<b>490,260,839</b>	<b>478,461,195</b>	<b>432,512,501</b>	<b>415,873,438</b>
Current assets	452,067,761	423,567,157	429,052,445	412,684,827
Non-current assets	38,193,078	54,894,038	3,460,056	3,188,611

1 - It includes, in the Consolidated, the amount of R\$ 2.552.248 thousand (R\$ 3.192.995 thousand on Dec 31, 2022) related to investments abroad determined by the local monetary authorities.

### b) Income from short-term interbank investments

	Banco do Brasil		Consolidated	
	1st half/2023	1st half/2022	1st half/2023	1st half/2022
<b>Income from securities purchased under resale agreement</b>	<b>27,326,228</b>	<b>29,043,533</b>	<b>28,640,497</b>	<b>29,247,096</b>
Funded position	27,288,406	28,984,157	27,288,406	28,984,157
Own portfolio position	37,822	59,376	1,352,091	262,939
<b>Income from investments in interbank deposits</b>	<b>4,000,150</b>	<b>2,129,441</b>	<b>1,365,402</b>	<b>94,888</b>
<b>Total</b>	<b>31,326,378</b>	<b>31,172,974</b>	<b>30,005,899</b>	<b>29,341,984</b>



In thousands of Reais, unless otherwise stated

## 10 – Securities

### a) Portfolio of securities by classification category, quantity, type of paper and maturity ranges:

#### a.1) Summary by category and completion period

Classification Category	Banco do Brasil							
	June 30, 2023				Dec 31, 2022			
	Current	Non-current	Total	Portfolio Participation	Current	Non-current	Total	Portfolio Participation
1 - Trading securities <sup>1</sup>	5,360,722	--	5,360,722	1%	2,285,510	--	2,285,510	1%
2 - Available for sale securities	28,257,136	324,910,602	353,167,738	86%	33,241,159	321,691,442	354,932,601	88%
3 - Held to maturity securities	19,714,437	31,969,685	51,684,122	13%	17,661,521	28,347,372	46,008,893	11%
Portfolio book value	53,332,295	356,880,287	410,212,582	100%	53,188,190	350,038,814	403,227,004	100%
Mark to market - held to maturity	(38,931)	(127,672)	(166,603)		(169,873)	(378,183)	(548,056)	
Portfolio fair value	53,293,364	356,752,615	410,045,979		53,018,317	349,660,631	402,678,948	

1 - Trading securities are presented in current assets, regardless of maturity, in accordance with Bacen Circular 3,068/2001.



In thousands of Reais, unless otherwise stated

**a.2) Breakdown of the portfolio by category, type of bonds and maturity**

Maturity in days	Banco do Brasil									
	June 30, 2023							Dec 31, 2022		
	Fair value				Total			Total		
	0 to 30	31 to 180	181 to 360	More than 360	Cost value	Fair value	Fair value	Cost value	Fair value	Fair value
<b>1 - Trading securities</b>	<b>5,721</b>	<b>31,911</b>	<b>79,828</b>	<b>5,243,262</b>	<b>5,357,905</b>	<b>5,360,722</b>	<b>2,817</b>	<b>2,328,089</b>	<b>2,285,510</b>	<b>(42,579)</b>
<b>Federal government bonds</b>	<b>5,334</b>	<b>30,113</b>	<b>79,828</b>	<b>4,375,763</b>	<b>4,469,063</b>	<b>4,491,038</b>	<b>21,975</b>	<b>572,246</b>	<b>573,384</b>	<b>1,138</b>
Treasury financial bills	--	1,479	--	2,426,332	2,427,286	2,427,811	525	12,895	12,906	11
National Treasury bills	5,334	28,634	79,828	1,005,908	1,110,286	1,119,704	9,418	505,337	506,340	1,003
National Treasury notes	--	--	--	943,523	931,491	943,523	12,032	54,014	54,138	124
<b>Private securities</b>	<b>387</b>	<b>1,798</b>	<b>--</b>	<b>867,499</b>	<b>888,842</b>	<b>869,684</b>	<b>(19,158)</b>	<b>1,755,843</b>	<b>1,712,126</b>	<b>(43,717)</b>
Debentures	--	--	--	121,217	137,972	121,217	(16,755)	478,868	443,139	(35,729)
Shares in investment funds	387	--	--	--	6	387	381	10	418	408
Real estate receivables certificates	--	--	--	290,499	284,575	290,499	5,924	503,385	504,612	1,227
Agrobusiness receivable certificates	--	1,798	--	455,783	466,289	457,581	(8,708)	773,580	763,957	(9,623)
<b>2 - Available for sale securities</b>	<b>5,728,945</b>	<b>5,574,095</b>	<b>16,954,096</b>	<b>324,910,602</b>	<b>354,625,877</b>	<b>353,167,738</b>	<b>(1,458,139)</b>	<b>357,733,552</b>	<b>354,932,601</b>	<b>(2,800,951)</b>
<b>Federal government bonds</b>	<b>2,350,050</b>	<b>3,703,324</b>	<b>15,255,592</b>	<b>278,629,688</b>	<b>301,745,240</b>	<b>299,938,654</b>	<b>(1,806,586)</b>	<b>309,014,604</b>	<b>305,577,965</b>	<b>(3,436,639)</b>
Treasury financial bills	--	2,988,695	8,568,593	254,760,697	266,045,937	266,317,985	272,048	272,032,990	272,089,972	56,982
National Treasury bills	2,248,848	--	4,331,360	3,974,974	10,743,236	10,555,182	(188,054)	16,130,519	15,549,177	(581,342)
National Treasury notes	--	--	--	11,060,977	11,701,699	11,060,977	(640,722)	6,744,032	5,477,265	(1,266,767)
Agricultural debt securities	--	--	15	--	34	15	(19)	139	101	(38)
Brazilian foreign debt securities	--	--	--	8,239,618	9,327,247	8,239,618	(1,087,629)	9,319,635	7,881,685	(1,437,950)
Foreign Government bonds	101,202	714,629	2,355,624	547,757	3,878,545	3,719,212	(159,333)	4,732,787	4,529,247	(203,540)
Other	--	--	--	45,665	48,542	45,665	(2,877)	54,502	50,518	(3,984)
<b>Private securities</b>	<b>3,378,895</b>	<b>1,870,771</b>	<b>1,698,504</b>	<b>46,280,914</b>	<b>52,880,637</b>	<b>53,229,084</b>	<b>348,447</b>	<b>48,718,948</b>	<b>49,354,636</b>	<b>635,688</b>
Debentures	--	939,507	1,345,209	37,675,516	41,089,701	39,960,232	(1,129,469)	37,429,419	37,174,513	(254,906)
Promissory notes	--	196,721	--	3,432,888	3,676,503	3,629,609	(46,894)	3,829,534	3,832,957	3,423
Shares in investment funds	3,266,483	--	--	1,794,199	3,250,158	5,060,682	1,810,524	2,886,210	4,346,580	1,460,370
Shares	112,412	--	--	--	92,007	112,412	20,405	98,661	94,403	(4,258)
Certificate of Deposit	--	734,543	244,952	--	970,446	979,495	9,049	--	--	--
Eurobonds	--	--	108,343	3,215,693	3,643,103	3,324,036	(319,067)	4,412,106	3,844,736	(567,370)
Real estate receivables certificates	--	--	--	263	287	263	(24)	314	258	(56)
Agrobusiness receivable certificates	--	--	--	104,988	100,508	104,988	4,480	--	--	--
Other	--	--	--	57,367	57,924	57,367	(557)	62,704	61,189	(1,515)



In thousands of Reais, unless otherwise stated

Maturity in days	Banco do Brasil									
	June 30, 2023						Dec 31, 2022			
	Fair value				Total		Total			
	0 to 30	31 to 180	181 to 360	More than 360	Cost value	Fair value	Fair value	Cost value	Fair value	Fair value
<b>3 - Held to maturity securities</b>	<b>8,385,097</b>	<b>6,962,844</b>	<b>4,327,565</b>	<b>31,842,013</b>	<b>51,684,122</b>	<b>51,517,519</b>	<b>(166,603)</b>	<b>46,008,893</b>	<b>45,460,837</b>	<b>(548,056)</b>
<b>Federal government bonds</b>	<b>7,594,561</b>	<b>--</b>	<b>3,989,707</b>	<b>3,978,158</b>	<b>15,687,180</b>	<b>15,562,426</b>	<b>(124,754)</b>	<b>15,474,960</b>	<b>14,933,950</b>	<b>(541,010)</b>
National Treasury bills	7,594,561	--	2,824,800	2,689,606	13,258,510	13,108,967	(149,543)	12,832,079	12,279,951	(552,128)
Brazilian foreign debt securities	--	--	1,164,907	1,288,552	2,428,670	2,453,459	24,789	2,642,881	2,653,999	11,118
<b>Private securities</b>	<b>790,536</b>	<b>6,962,844</b>	<b>337,858</b>	<b>27,863,855</b>	<b>35,996,942</b>	<b>35,955,093</b>	<b>(41,849)</b>	<b>30,533,933</b>	<b>30,526,887</b>	<b>(7,046)</b>
Debentures	3,937	276,979	225,763	5,340,790	6,270,741	5,847,469	(423,272)	6,848,656	6,687,147	(161,509)
Rural product bills - commodities	762,105	6,602,598	38,299	11,309,556	18,276,049	18,712,558	436,509	11,895,475	12,058,186	162,711
Certificate of Deposit	24,494	24,185	--	--	48,432	48,679	247	20,926	21,038	112
Certificates of agribusiness credit rights	--	59,082	73,796	11,213,507	11,401,717	11,346,385	(55,332)	11,768,873	11,760,514	(8,359)
Real estate receivables certificates	--	--	--	2	3	2	(1)	3	2	(1)
<b>Total</b>	<b>14,119,763</b>	<b>12,568,850</b>	<b>21,361,489</b>	<b>361,995,877</b>	<b>411,667,904</b>	<b>410,045,979</b>	<b>(1,621,925)</b>	<b>406,070,534</b>	<b>402,678,948</b>	<b>(3,391,586)</b>

### a.3) Breakdown of the portfolio by financial statement classification and maturity date

Maturity in days	Banco do Brasil									
	June 30, 2023						Dec 31, 2022			
	Fair value				Total		Total			
	0 to 30	31 to 180	181 to 360	More than 360	Cost value	Fair value	Fair value	Cost value	Fair value	Fair value
<b>Total by portfolio</b>	<b>14,119,763</b>	<b>12,568,850</b>	<b>21,361,489</b>	<b>361,995,877</b>	<b>411,667,904</b>	<b>410,045,979</b>	<b>(1,621,925)</b>	<b>406,070,534</b>	<b>402,678,948</b>	<b>(3,391,586)</b>
Own portfolio	14,095,268	10,455,202	10,069,140	152,611,881	188,089,301	187,231,491	(857,810)	160,935,865	158,661,955	(2,273,910)
Subject to repurchase agreements	--	2,089,463	10,238,495	201,966,382	215,053,495	214,294,340	(759,155)	235,475,294	234,556,389	(918,905)
Pledged in guarantee	24,495	24,185	1,053,854	7,417,614	8,525,108	8,520,148	(4,960)	9,659,375	9,460,604	(198,771)

### a.4) Summary of the consolidated by category and completion period

Classification Category	Consolidated							
	June 30, 2023				Dec 31, 2022			
	Current	Non-current	Total	Portfolio Participation	Current	Non-current	Total	Portfolio Participation
1 - Trading securities <sup>1</sup>	11,624,753	--	11,624,753	3%	10,330,260	--	10,330,260	1%
2 - Available for sale securities	45,263,311	331,531,366	376,794,677	85%	44,909,992	324,970,445	369,880,437	88%
3 - Held to maturity securities	20,060,694	33,052,663	53,113,357	12%	19,045,821	29,190,579	48,236,400	11%
Portfolio book value	76,948,758	364,584,029	441,532,787	100%	74,286,073	354,161,024	428,447,097	100%
Mark to market - held to maturity	(41,040)	(140,814)	(181,854)		(180,699)	(393,346)	(574,045)	
Portfolio fair value	76,907,718	364,443,215	441,350,933		74,105,374	353,767,678	427,873,052	

1 - Trading securities are presented in current assets, regardless of maturity, in accordance with Bacen Circular 3,068/2001.



In thousands of Reais, unless otherwise stated

**a.5) Breakdown of the consolidated portfolio by category, type of bonds and maturity**

Maturity in days	Consolidated									
	June 30, 2023							Dec 31, 2022		
	Fair value				Total			Total		
	0 to 30	31 to 180	181 to 360	More than 360	Cost value	Fair value	Fair value	Cost value	Fair value	Fair value
<b>1 - Trading securities</b>	<b>524,590</b>	<b>104,394</b>	<b>157,043</b>	<b>10,838,726</b>	<b>11,349,503</b>	<b>11,624,753</b>	<b>275,250</b>	<b>10,349,834</b>	<b>10,330,260</b>	<b>(19,574)</b>
<b>Federal government bonds</b>	<b>176,794</b>	<b>102,596</b>	<b>149,621</b>	<b>6,225,668</b>	<b>6,455,795</b>	<b>6,654,679</b>	<b>198,884</b>	<b>2,143,133</b>	<b>2,258,875</b>	<b>115,742</b>
Treasury financial bills	509	2,547	--	4,139,209	4,080,454	4,142,265	61,811	1,194,920	1,199,103	4,183
National Treasury bills	5,334	28,634	79,828	1,005,908	1,110,286	1,119,704	9,418	505,337	506,340	1,003
National Treasury notes	--	--	--	943,523	931,491	943,523	12,032	135,787	137,934	2,147
Brazilian foreign debt securities	--	--	--	23,559	96,585	121,920	(1,776)	154,677	150,672	(4,005)
Foreign Government bonds	170,951	71,415	46,234	40,443	211,644	329,043	117,399	152,412	264,826	112,414
<b>Private securities</b>	<b>347,796</b>	<b>1,798</b>	<b>7,422</b>	<b>4,613,058</b>	<b>4,893,708</b>	<b>4,970,074</b>	<b>76,366</b>	<b>8,206,701</b>	<b>8,071,385</b>	<b>(135,316)</b>
Debentures	--	--	--	547,017	583,345	547,017	(36,328)	2,109,240	2,008,139	(101,101)
Shares in investment funds	278,999	--	--	--	191,428	278,999	87,571	351,121	442,450	91,329
Shares	68,797	--	--	--	68,745	68,797	52	54,935	54,974	39
Eurobonds	--	--	7,422	262,287	272,339	269,709	(2,630)	248,703	246,331	(2,372)
Real estate receivables certificates	--	--	--	2,121,369	2,096,783	2,121,369	24,586	2,491,726	2,433,845	(57,881)
Agrobusiness receivable certificates	--	1,798	--	1,586,814	1,585,497	1,588,612	3,115	2,946,169	2,880,839	(65,330)
Other	--	--	--	95,571	95,571	95,571	--	4,807	4,807	--
<b>2 - Available for sale securities</b>	<b>15,000,866</b>	<b>7,801,371</b>	<b>22,461,074</b>	<b>331,531,366</b>	<b>378,316,562</b>	<b>376,794,677</b>	<b>(1,521,885)</b>	<b>372,898,765</b>	<b>369,880,437</b>	<b>(3,018,328)</b>
<b>Federal government bonds</b>	<b>12,238,503</b>	<b>5,665,392</b>	<b>16,312,620</b>	<b>281,082,190</b>	<b>317,194,220</b>	<b>315,298,705</b>	<b>(1,895,515)</b>	<b>318,942,879</b>	<b>315,329,345</b>	<b>(3,613,534)</b>
Treasury financial bills	--	3,687,695	9,240,739	255,028,877	267,684,518	267,957,311	272,793	272,372,872	272,430,113	57,241
National Treasury bills	2,248,848	--	4,331,360	3,974,974	10,743,236	10,555,182	(188,054)	16,130,519	15,549,177	(581,342)
National Treasury notes	--	--	--	11,060,977	11,701,699	11,060,977	(640,722)	6,744,032	5,477,265	(1,266,767)
Agricultural debt securities	--	--	15	--	34	15	(19)	139	101	(38)
Brazilian foreign debt securities	--	--	50,417	8,658,638	9,843,388	8,709,055	(1,134,333)	9,878,395	8,388,834	(1,489,561)
Foreign Government bonds	9,989,655	1,977,697	2,690,089	2,311,996	17,171,733	16,969,437	(202,296)	13,761,396	13,432,313	(329,083)
Other	--	--	--	46,728	49,612	46,728	(2,884)	55,526	51,542	(3,984)
<b>Private securities</b>	<b>2,762,363</b>	<b>2,135,979</b>	<b>6,148,454</b>	<b>50,449,176</b>	<b>61,122,342</b>	<b>61,495,972</b>	<b>373,630</b>	<b>53,955,886</b>	<b>54,551,092</b>	<b>595,206</b>
Debentures	--	1,101,276	4,685,629	38,190,097	45,110,042	43,977,002	(1,133,040)	41,274,278	41,026,492	(247,786)
Promissory notes	--	196,721	--	3,432,888	3,676,503	3,629,609	(46,894)	3,829,534	3,832,957	3,423
Shares in investment funds	2,633,931	83,542	113,975	1,985,688	2,831,866	4,817,136	1,985,270	2,294,090	3,870,703	1,576,613
Shares	127,886	--	--	--	122,499	127,886	5,387	138,408	109,683	(28,725)
Certificate of Deposit	--	754,253	244,952	--	990,157	999,205	9,048	18,752	18,752	--
Eurobonds	--	--	108,343	3,371,858	3,825,593	3,480,201	(345,392)	4,618,831	4,024,409	(594,422)
Real estate receivables certificates	--	--	--	2,579	2,882	2,579	(303)	2,833	2,429	(404)
Agrobusiness receivable certificates	--	187	--	105,604	101,318	105,791	4,473	1,316	1,297	(19)
Other	546	--	995,555	3,360,462	4,461,482	4,356,563	(104,919)	1,777,844	1,664,370	(113,474)



In thousands of Reais, unless otherwise stated

Maturity in days	Consolidated									
	June 30, 2023							Dec 31, 2022		
	Fair value				Total			Total		
	0 to 30	31 to 180	181 to 360	More than 360	Cost value	Fair value	Fair value	Cost value	Fair value	Fair value
<b>3 - Held to maturity securities</b>	<b>8,385,098</b>	<b>7,066,191</b>	<b>4,568,365</b>	<b>32,911,849</b>	<b>53,113,357</b>	<b>52,931,503</b>	<b>(181,854)</b>	<b>48,236,400</b>	<b>47,662,355</b>	<b>(574,045)</b>
<b>Federal government bonds</b>	<b>7,594,561</b>	<b>103,347</b>	<b>4,230,507</b>	<b>5,224,370</b>	<b>17,294,214</b>	<b>17,152,785</b>	<b>(141,429)</b>	<b>17,975,810</b>	<b>17,405,106</b>	<b>(570,704)</b>
National Treasury bills	7,594,561	--	2,824,800	2,689,606	13,258,510	13,108,967	(149,543)	12,832,079	12,279,951	(552,128)
Brazilian foreign debt securities	--	--	1,164,907	1,288,552	2,428,671	2,453,459	24,788	2,642,881	2,654,000	11,119
Foreign Government bonds	--	103,347	240,800	1,246,212	1,607,033	1,590,359	(16,674)	2,500,850	2,471,155	(29,695)
<b>Private securities</b>	<b>790,537</b>	<b>6,962,844</b>	<b>337,858</b>	<b>27,687,479</b>	<b>35,819,143</b>	<b>35,778,718</b>	<b>(40,425)</b>	<b>30,260,590</b>	<b>30,257,249</b>	<b>(3,341)</b>
Debentures	3,937	276,979	225,763	5,164,414	6,092,942	5,671,093	(421,849)	6,575,312	6,417,508	(157,804)
Rural product bills - commodities	762,105	6,602,598	38,299	11,309,556	18,276,049	18,712,558	436,509	11,895,475	12,058,186	162,711
Certificate of Deposit	24,495	24,185	--	--	48,432	48,680	248	20,927	21,039	112
Certificates of agribusiness credit rights	--	59,082	73,796	11,213,507	11,401,717	11,346,385	(55,332)	11,768,873	11,760,514	(8,359)
Real estate receivables certificates	--	--	--	2	3	2	(1)	3	2	(1)
<b>Total</b>	<b>23,910,554</b>	<b>14,971,956</b>	<b>27,186,482</b>	<b>375,281,941</b>	<b>442,779,422</b>	<b>441,350,933</b>	<b>(1,428,489)</b>	<b>431,484,999</b>	<b>427,873,052</b>	<b>(3,611,947)</b>

**a.6) Breakdown of the consolidated portfolio by financial statement classification and maturity date**

Maturity in days	Consolidated									
	June 30, 2023							Dec 31, 2022		
	Fair value				Total			Total		
	0 to 30	31 to 180	181 to 360	More than 360	Cost value	Fair value	Fair value	Cost value	Fair value	Fair value
<b>Total by portfolio</b>	<b>23,910,554</b>	<b>14,971,956</b>	<b>27,186,482</b>	<b>375,281,941</b>	<b>442,779,422</b>	<b>441,350,933</b>	<b>(1,428,489)</b>	<b>431,484,999</b>	<b>427,873,052</b>	<b>(3,611,947)</b>
Own portfolio	23,809,056	12,857,750	15,888,770	183,288,837	236,508,152	235,844,413	(663,739)	208,348,628	205,853,400	(2,495,228)
Subject to repurchase agreements	--	2,089,464	10,243,863	184,228,998	197,321,352	196,562,325	(759,027)	212,635,779	211,717,369	(918,410)
Pledged in guarantee	101,498	24,742	1,053,849	7,764,106	8,949,918	8,944,195	(5,723)	10,500,592	10,302,283	(198,309)

**b) Securities**

	Banco do Brasil		Consolidated	
	1st half/2023	1st half/2022	1st half/2023	1st half/2022
Fixed-income securities	21,996,186	17,456,858	28,146,545	19,921,450
Variable-income securities	(1,156,356)	(620,427)	(1,231,022)	(620,208)
<b>Total</b>	<b>20,839,830</b>	<b>16,836,431</b>	<b>26,915,523</b>	<b>19,301,242</b>

**c) Reclassification of securities**

There was no reclassification of securities in the 1st half/2023.

In order to reflect the business dynamics for the products involved, the following reclassifications were carried out in 2022.

- from category I - securities for trading to Category II - securities available for sale: R\$ 11,476,114 thousand, basically in foreign government securities. The adjustment did not have an impact on the result nor on shareholders' equity.
- from category II - securities available for sale to Category III - securities held to maturity: R\$ 10,953,163 thousand in Agribusiness Credit Rights Certificates (CDCA) and R\$ 10,154,455 thousand in Rural Product Notes - Commodities (CPR). The financial capacity to maintain these assets until their respective maturities is attested. The adjustment did not have an impact on income or equity. The accumulated effect of mark-to-market on equity for these securities, up to the reclassification date, is negative by R\$ 3,142 thousand, net of taxes.





## 11 – Derivative financial instruments

The Bank uses derivative financial instruments to manage, at the consolidated level, credit risk and to meet clients' needs, classifying its own positions as hedge (market risk and investment abroad) and trading, both within limits approved by committees of the Bank. The hedge strategy of the equity positions is in line with macroeconomic analyses, and it is approved by the Executive Board of Directors.

The derivative financial instruments used by the Bank are compatible with the defined objectives, observing the best risk and return ratio and considering the economic scenario. The risk categories of the derivative financial instruments are considered in the management of these instruments and the consolidated view of different risk factors are adopted.

The Bank assesses the liquidity of derivative financial instruments and identifies, in advance, means of reversing positions. Systems and processes that allow the recording, monitoring and controlling of operations with derivative financial instruments are used.

In the options market, long positions have the Bank as holder, while short positions have the Bank as writer.

The main risks inherent to derivative financial instruments resulting from the business of the Bank and its subsidiaries are credit, market, liquidity and operational, which has its management process presented in note 30. The hedge accounting strategies are intended to mitigate market risks, such as changes in interest rates and changes in exchange rates.

The models used to manage derivatives' risks are reviewed periodically and the decisions made follow the best risk/return relationship, estimating possible losses based on the analysis of macroeconomic scenarios.

The Bank uses appropriate tools and systems to manage the derivatives. New derivatives trades standardized or not, are subjected to a prior risk analysis.

Positioning strategies comply with established limits and risk exposure. Positions are reassessed daily and at the beginning of each day an evaluation of strategies and performances is conducted.

Strategies are developed based on:

- analysis of economic scenarios;
- technical analysis (graphical) and fundamental analysis;
- simulation of expected results;
- Value-at-risk simulation (VaR, EVE, Stress).

The Bank carries out transactions with derivative financial instruments to hedge its own positions to meet the needs of our clients and to take intentional positions, according to limits, accountability and previously established procedures.

The objectives to be achieved with hedge operations are defined on a consolidated basis, ensuring the effectiveness of each operation and observing the regulations of each jurisdiction. Mechanisms for evaluating and monitoring the effectiveness of hedge operations are used in order to offset the effects of changes in market value, cash flow or exchange rate changes of the hedged item.

The risk assessment of the subsidiaries is undertaken on an individual basis and its management is done on a consolidated basis.

The Bank uses statistical methods and simulations to measure the risks of its positions, including derivatives, using values at risk, sensibility and stress analysis models.

The VaR is used to estimate the potential loss, under usual market conditions, daily measured in monetary values, considering a confidence interval of 99.21%, a 10-day time horizon and a historical series of 252 business days.

In order to calculate the VaR, the Bank uses the Historical Simulation methodology, which assumes that the retrospective behavior of observed (historical) returns of risk factors constitutes relevant information to the measurement of market risks.

Accordingly, the calculated VaR for the Bank derivatives portfolio, on June 30, 2023, was R\$ 133,585 thousand (R\$ 156,176 thousand on December 31, 2022).

Total credit exposure from swap is R\$ 802,891 thousand on June 30, 2023 (R\$ 834,639 thousand on December 31, 2022).



In thousands of Reais, unless otherwise stated

## a) Compositions

### a.1) Breakdown of the portfolio of derivatives for trading by index

By Index	Banco do Brasil						BB Consolidated					
	June 30, 2023			December 31, 2022			June 30, 2023			December 31, 2022		
	Notional value	Cost value	Fair value	Notional value	Cost value	Fair value	Notional value	Cost value	Fair value	Notional value	Cost value	Fair value
<b>Futures</b>												
<b>Purchase commitments</b>	<b>11,344,217</b>	--	--	<b>12,147,162</b>	--	--	<b>12,051,281</b>	--	--	<b>12,495,923</b>	--	--
Interbank deposits	9,435,928	--	--	7,633,088	--	--	9,435,928	--	--	7,633,088	--	--
Currencies	1,245,493	--	--	1,373,069	--	--	1,952,557	--	--	1,721,830	--	--
Commodities	59,417	--	--	61,016	--	--	59,417	--	--	61,016	--	--
Bovespa Index	--	--	--	3,889	--	--	--	--	--	3,889	--	--
On-shore USD rates	600,772	--	--	3,076,100	--	--	600,772	--	--	3,076,100	--	--
T-Note	2,607	--	--	--	--	--	2,607	--	--	--	--	--
<b>Sales commitments</b>	<b>31,227,648</b>	--	--	<b>22,992,210</b>	--	--	<b>31,674,036</b>	--	--	<b>23,172,978</b>	--	--
Interbank deposits	7,022,003	--	--	7,184,693	--	--	7,022,003	--	--	7,184,693	--	--
Currencies	13,572,704	--	--	3,067,181	--	--	14,019,092	--	--	3,247,949	--	--
Libor	6,716,244	--	--	4,776,315	--	--	6,716,244	--	--	4,776,315	--	--
Commodities	2,309,422	--	--	1,435,281	--	--	2,309,422	--	--	1,435,281	--	--
On-shore USD rates	1,607,275	--	--	3,355,606	--	--	1,607,275	--	--	3,355,606	--	--
T-Note	--	--	--	3,173,134	--	--	--	--	--	3,173,134	--	--
<b>Forwards</b>												
<b>Asset position</b>	<b>17,965,574</b>	<b>2,607,088</b>	<b>2,471,283</b>	<b>14,811,098</b>	<b>721,247</b>	<b>371,489</b>	<b>18,389,013</b>	<b>2,612,639</b>	<b>2,476,834</b>	<b>15,281,186</b>	<b>744,683</b>	<b>395,025</b>
Term securities	1,451,588	1,451,588	1,451,588	--	--	--	1,451,588	1,451,588	1,451,588	--	--	--
Term currencies	15,227,044	1,072,538	933,562	13,820,009	629,387	301,499	15,650,483	1,078,089	939,113	14,290,097	652,823	325,035
Term commodities	1,286,942	82,962	86,133	991,089	91,860	69,990	1,286,942	82,962	86,133	991,089	91,860	69,990
<b>Liability position</b>	<b>22,674,810</b>	<b>(3,230,449)</b>	<b>(2,947,513)</b>	<b>23,635,787</b>	<b>(1,971,278)</b>	<b>(1,072,640)</b>	<b>22,735,904</b>	<b>(3,230,914)</b>	<b>(2,947,978)</b>	<b>23,681,976</b>	<b>(1,972,065)</b>	<b>(1,073,427)</b>
Term securities	1,451,588	(1,451,588)	(1,451,588)	--	--	--	1,451,588	(1,451,588)	(1,451,588)	--	--	--
Term currencies	19,740,087	(1,646,038)	(1,363,207)	22,530,604	(1,742,394)	(824,185)	19,801,181	(1,646,503)	(1,363,672)	22,576,793	(1,743,181)	(824,972)
Term commodities	1,483,135	(132,823)	(132,718)	1,105,183	(228,884)	(248,455)	1,483,135	(132,823)	(132,718)	1,105,183	(228,884)	(248,455)
<b>Options</b>												
<b>Purchase commitments - long position</b>	<b>3,638,335</b>	<b>212,555</b>	<b>7,420</b>	<b>4,924,396</b>	<b>260,830</b>	<b>77,997</b>	<b>3,638,335</b>	<b>212,555</b>	<b>7,420</b>	<b>4,924,396</b>	<b>260,830</b>	<b>77,997</b>
Foreign currency	3,638,335	212,555	7,420	4,924,396	260,830	77,997	3,638,335	212,555	7,420	4,924,396	260,830	77,997
<b>Sale commitments - long position</b>	<b>650,774</b>	<b>19,262</b>	<b>32,678</b>	<b>303,582</b>	<b>11,246</b>	<b>11,045</b>	<b>650,774</b>	<b>19,262</b>	<b>32,678</b>	<b>303,582</b>	<b>11,246</b>	<b>11,045</b>
Foreign currency	650,774	19,262	32,678	303,582	11,246	11,045	650,774	19,262	32,678	303,582	11,246	11,045
<b>Purchase commitments - short position</b>	<b>1,135,727</b>	<b>(29,080)</b>	<b>(29,381)</b>	<b>906,949</b>	<b>(23,735)</b>	<b>(39,849)</b>	<b>957,873</b>	<b>(26,737)</b>	<b>(25,880)</b>	<b>444,308</b>	<b>(19,173)</b>	<b>(27,825)</b>
Foreign currency	665,110	(21,068)	(17,909)	334,992	(15,122)	(23,945)	665,110	(21,068)	(17,692)	334,992	(15,122)	(23,945)
Pre-fixed	177,854	(2,343)	(3,284)	462,641	(4,562)	(12,024)	--	--	--	--	--	--
Bovespa Index	21,309	(1,278)	(2,342)	34,007	(1,905)	(2,022)	21,309	(1,278)	(2,342)	34,007	(1,905)	(2,022)
Commodities	271,454	(4,391)	(5,846)	75,309	(2,146)	(1,858)	271,454	(4,391)	(5,846)	75,309	(2,146)	(1,858)



In thousands of Reais, unless otherwise stated

By Index	Banco do Brasil						Consolidated					
	June 30, 2023			December 31, 2022			June 30, 2023			December 31, 2022		
	Notional value	Cost value	Fair value	Notional value	Cost value	Fair value	Notional value	Cost value	Fair value	Notional value	Cost value	Fair value
<b>Sale commitments - short position</b>	<b>4,492,274</b>	<b>(405,182)</b>	<b>(757,097)</b>	<b>5,678,150</b>	<b>(733,241)</b>	<b>(953,597)</b>	<b>4,314,420</b>	<b>(229,670)</b>	<b>(582,733)</b>	<b>5,215,508</b>	<b>(270,205)</b>	<b>(497,751)</b>
Foreign currency	3,569,483	(206,071)	(563,841)	4,860,396	(257,306)	(489,982)	3,569,483	(206,071)	(559,333)	4,860,396	(257,306)	(489,982)
Pre-fixed	177,854	(175,512)	(169,856)	462,642	(463,036)	(455,846)	--	--	--	--	--	--
Bovespa Index	7,800	(230)	(31)	23,964	(739)	(628)	7,800	(230)	(31)	23,964	(739)	(628)
Interbank deposit	--	--	--	7,302	(52)	--	--	--	--	7,302	(52)	--
Commodities	737,137	(23,369)	(23,369)	323,846	(12,108)	(7,141)	737,137	(23,369)	(23,369)	323,846	(12,108)	(7,141)
<b>Swap</b>												
<b>Asset position</b>	<b>22,138,421</b>	<b>1,966,113</b>	<b>2,337,576</b>	<b>22,869,098</b>	<b>1,001,555</b>	<b>1,134,782</b>	<b>22,138,421</b>	<b>1,966,113</b>	<b>2,337,576</b>	<b>22,401,501</b>	<b>1,001,538</b>	<b>1,134,779</b>
Interbank deposits	16,733,315	1,723,285	1,911,901	12,848,783	810,085	775,695	16,733,315	1,723,285	1,911,901	12,848,783	810,085	775,695
Foreign currency	4,233,534	156,075	308,810	8,299,526	110,174	289,198	4,233,534	156,075	308,810	8,299,526	110,174	289,198
Pre-fixed	1,171,572	86,753	116,865	1,720,789	81,296	69,889	1,171,572	86,753	116,865	1,253,192	81,279	69,886
<b>Liability position</b>	<b>13,267,764</b>	<b>(1,120,048)</b>	<b>(1,445,703)</b>	<b>8,869,326</b>	<b>(1,021,623)</b>	<b>(1,305,602)</b>	<b>13,089,910</b>	<b>(1,120,048)</b>	<b>(1,445,701)</b>	<b>8,869,326</b>	<b>(1,021,623)</b>	<b>(1,305,602)</b>
Interbank deposits	5,181,283	(360,785)	(450,046)	1,475,272	(118,414)	(130,415)	5,003,429	(360,785)	(450,044)	1,475,272	(118,414)	(130,415)
Foreign currency	5,357,250	(522,930)	(675,099)	5,578,198	(793,673)	(1,053,142)	5,357,250	(522,930)	(675,099)	5,578,198	(793,673)	(1,053,142)
Pre-fixed	1,622,965	(106,548)	(141,980)	969,776	(35,606)	(30,033)	1,622,965	(106,548)	(141,980)	969,776	(35,606)	(30,033)
IPCA	1,106,266	(129,785)	(178,578)	846,080	(73,930)	(92,012)	1,106,266	(129,785)	(178,578)	846,080	(73,930)	(92,012)
<b>Other Derivatives<sup>1</sup></b>												
<b>Asset position</b>												
Foreign currency	2,381,413	19,065	36,410	1,663,993	39,087	26,703	2,381,413	19,065	24,587	1,099,157	39,087	19,223
<b>Liability position</b>												
Foreign currency	4,130,741	(97,784)	(109,704)	6,130,599	(115,844)	(140,845)	3,899,300	(97,784)	(107,856)	6,130,599	(115,849)	(140,858)

1 - Related to transactions carried out in the Forex market abroad, recorded as Non Deliverable Forwards (NDF) which object is an exchange rate of a specific currency and is traded in the over-the-counter (OTC) market.

## a.2) Breakdown of the derivatives portfolio by maturity (notional value)

Maturity in days	Banco do Brasil						Consolidated					
	0 to 30	31 to 180	181 to 360	More than 360	June 30, 2023	December 31, 2022	0 to 30	31 to 180	181 to 360	More than 360	June 30, 2023	December 31, 2022
Futures	12,878,147	12,249,694	8,860,516	8,583,508	42,571,865	35,139,372	14,031,598	12,249,695	8,860,516	8,583,508	43,725,317	35,668,901
Forwards	9,247,667	18,212,377	9,102,230	4,078,110	40,640,384	38,446,885	9,732,200	18,212,377	9,102,230	4,078,110	41,124,917	38,963,162
Options	1,931,250	5,100,801	953,352	1,931,707	9,917,110	11,813,077	1,931,250	4,745,093	953,352	1,931,707	9,561,402	10,887,794
Swap	9,565,939	8,679,951	5,519,615	11,640,680	35,406,185	31,738,424	9,565,939	8,502,097	5,519,615	11,640,680	35,228,331	31,270,827
Other	1,945,523	3,517,909	1,031,604	17,118	6,512,154	7,794,592	1,714,082	3,517,909	1,031,604	17,118	6,280,713	7,229,756

**a.3) Breakdown of the derivative portfolio by trading market and counterparty (notional value on June 30, 2023)**

	Banco do Brasil					Consolidated				
	Futures	Forwards	Options	Swaps	Other	Futures	Forwards	Options	Swaps	Other
<b>Stock Exchange</b>										
B3	28,473,675	--	1,008,591	--	--	28,473,675	--	1,008,591	--	--
Abroad	14,098,190	--	--	--	--	15,251,642	--	--	--	--
<b>Over-the-counter</b>										
Financial Institutions	--	2,903,176	355,708	27,404,621	6,512,154	--	3,387,709	--	27,226,767	6,280,713
Clients	--	37,737,208	8,552,811	8,001,564	--	--	37,737,208	8,552,811	8,001,564	--

**a.4) Breakdown of margin given as guarantee for transactions with derivative financial instruments**

	Banco do Brasil		Consolidated	
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
Treasury financial bills		2,430,911		1,730,237
			2,430,911	1,730,237

**a.5) Derivative financial instruments segregated by current and non-current**

	Banco do Brasil				Consolidated			
	June 30, 2023		December 31, 2022		June 30, 2023		December 31, 2022	
	Current	Non-current	Current	Non-current	Current	Non-current	Current	Non-current
<b>Assets</b>								
Forwards	2,392,179	79,104	352,548	18,941	2,397,730	79,104	376,084	18,941
Options	39,308	790	69,490	19,552	39,308	790	69,490	19,552
Swap	1,671,496	666,080	763,110	371,672	1,671,496	666,080	763,107	371,672
Credit derivatives	36,410	--	26,639	64	24,587	--	19,159	64
<b>Other Derivatives</b>	<b>4,139,393</b>	<b>745,974</b>	<b>1,211,787</b>	<b>410,229</b>	<b>4,133,121</b>	<b>745,974</b>	<b>1,227,840</b>	<b>410,229</b>
<b>Liabilities</b>								
Forwards	(2,687,213)	(260,300)	(938,096)	(134,544)	(2,687,678)	(260,300)	(938,883)	(134,544)
Options	(625,986)	(160,492)	(960,863)	(32,583)	(479,702)	(128,911)	(492,993)	(32,583)
Swap	(454,228)	(991,475)	(120,131)	(1,185,471)	(454,226)	(991,475)	(120,131)	(1,185,471)
Other Derivatives	(108,929)	(775)	(140,710)	(135)	(107,081)	(775)	(140,723)	(135)
<b>Total</b>	<b>(3,876,356)</b>	<b>(1,413,042)</b>	<b>(2,159,800)</b>	<b>(1,352,733)</b>	<b>(3,728,687)</b>	<b>(1,381,461)</b>	<b>(1,692,730)</b>	<b>(1,352,733)</b>

**b) Income from derivative financial instruments**

	Banco do Brasil		Consolidated	
	1st half/2023	1st half/2022	1st half/2023	1st half/2022
Futures	841,938	(10,456)	645,509	(32,257)
Forwards	(1,039,211)	(2,612,869)	(1,014,100)	(2,586,563)
Options	(475,403)	(34,508)	(460,335)	14,780
Swaps	168,306	1,278,401	168,310	1,278,319
Credit derivatives	11	10,638	11	10,638
Other Derivatives	40,587	(15,883)	19,992	(55,630)
<b>Total</b>	<b>(463,772)</b>	<b>(1,384,677)</b>	<b>(640,613)</b>	<b>(1,370,713)</b>



### **c) Hedge accounting**

The Bank carries out fair value hedge and a net investment hedge in order to manage interest rate risk and exchange rate risk presented by own operations. The Bank documents the identification of the hedged item, the hedging instrument and the methodology to be used to assess its effectiveness from the conception of the accounting hedge structure.

The structure of risk limits extends to risk factor level, with specific limits aimed at improving the monitoring and understanding process, as well as avoiding the concentration of these risks.

The structures designated for the interest rate risk and exchange rate risk categories are carried out considering the risks in their entirety when there are compatible hedging instruments. By Management decision, in some cases, the risks are hedged by the term and risk factor limit of the hedging instrument.

In order to protect the fair value and exchange rate risk of instruments designated as the hedge item, the Bank uses derivative financial instruments (Futures and Swap).

At the beginning of the hedging relationship and continuously, the Bank evaluates and monitors their strategies to ensure that they are highly effective, i.e, the hedging instruments offset the changes in fair value attributed to the respective hedged items during the period established for the hedging relationship.

The evaluation of the effectiveness of hedge structures is carried out prospectively and retrospectively (in the course of operations). For this, some methodologies are used, such as:

- Dollar Offset Method (or Ratio Analysis), based on comparing the variation in the fair value of the hedging instrument with the variation in the fair value of the hedge item;
- Correlation coefficient between the variation in the present value of the hedging instrument and the variations in the present value of the hedge item;
- Beta coefficient of the regression between the regressor (represented by the change in the present value of the hedging instrument) and the regression (represented by the change in the present value of the hedge item).

In risk management, hedging instruments and hedge items are expected to move in opposite directions and in the same proportions, with the objective of neutralizing risk factors. Currently, the designated coverage ratio is 100% of the risk factor that is eligible for coverage. The sources of ineffectiveness, in general, are related to counterparty credit risk, the risk of early settlement of the hedge item and possible term mismatches between the hedging instrument and the hedge item.

#### **c.1) Fair value hedge**

The Bank's fair value hedging strategy consists of protecting exposure to changes in the fair value of interest payments and receipts relating to recognized assets and liabilities.

The fair value management methodology adopted by the Bank segregates transactions by risk factor (e.g. exchange rate risk, risk interest, inflation risk, etc.). Transactions generate exposures that are consolidated by risk factor and compared to pre-established internal limits.

The Bank uses interest rate swap contracts related to fixed assets and liabilities to protect the fair value variation in the receipt and payment of interest.

The Bank applies the fair value hedge as follows:

- The Bank has pre-fixed interest rate risk generated by Federal Public Securities (LTN) classified as "available for sale" and "held to maturity". The Bank contracts DI futures or interest rate swaps and designates them as a hedging instrument in an accounting hedge structure, changing the exposure from fixed to post-fixed interest rates.
- The Bank has Fixed Consumer Direct Credit (CDC) loans on its portfolio. To manage this risk, interest rate futures (DI) operations are contracted and designated as fair value hedge of the corresponding loans, changing the exposure from fixed to post-fixed interest rates.
- The Bank has interest rate risk and foreign currency exposure generated by liabilities from issuance of securities and loans to financial institutions carried out abroad. The Bank designates swap operations (cross currency interest rate swap) as a hedging instrument in accounting hedge structure, changing exposure between foreign currencies and interest rates to manage this risk.

**Portfolio of derivatives designated as fair value hedge**

	Banco do Brasil		Consolidated	
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
<b>Hedge instruments <sup>1</sup></b>				
<b>Liabilities</b>	<b>(13,344,702)</b>	<b>(13,207,111)</b>	<b>(13,344,702)</b>	<b>(13,207,111)</b>
Swaps	(7,732,822)	(7,966,434)	(7,732,822)	(7,966,434)
Futures	(5,611,880)	(5,240,677)	(5,611,880)	(5,240,677)
<b>Hedged items</b>				
<b>Assets</b>	<b>15,581,765</b>	<b>15,189,252</b>	<b>15,581,765</b>	<b>15,189,252</b>
Securities	13,161,075	12,579,618	13,161,075	12,579,618
Interbank deposits	2,371,696	2,563,590	2,371,696	2,563,590
Loans	48,994	46,044	48,994	46,044
<b>Liabilities</b>	<b>(2,038,922)</b>	<b>(1,816,981)</b>	<b>(2,038,922)</b>	<b>(1,816,981)</b>
Obrigações por títulos e valores mobiliários no exterior	(2,038,922)	(1,816,981)	(2,038,922)	(1,816,981)

1 – It refers to the notional amount of derivative financial instruments.

In fair value protection structures, gains or losses, both on hedging instruments and on hedge items (attributable to the type of risk being protected) are recognized directly in profit or loss.

**Income gains and losses with hedging instruments and hedged items**

	Banco do Brasil		Consolidated	
	1st half/2023	1st half/2022	1st half/2023	1st half/2022
Hedge items gains/(losses)	188,684	239,676	188,684	239,676
Hedging instruments (losses)/gains	(155,101)	(201,672)	(155,101)	(201,672)
<b>Net effect</b>	<b>33,583</b>	<b>38,004</b>	<b>33,583</b>	<b>38,004</b>

**c.2) Hedge of net investment in a foreign operation**

The hedging strategy for net investment in a foreign operation consists of protecting exposure to the exchange variation of the US dollar against the real due to the Bank's investment in BB Americas, whose functional currency is different from the real. The hedging instrument used is US dollar futures contracts. These operations are renewed monthly and the designated amount is updated every six months in view of changes in the investment amount considered in the hedge structure.

**Portfolio of derivatives designated as hedge of net investment in a foreign operation**

	Banco do Brasil		Consolidated	
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
<b>Hedge instruments</b>				
<b>Liabilities</b>	<b>(959,701)</b>	<b>(702,764)</b>	<b>(959,701)</b>	<b>(702,764)</b>
Futures	(959,701)	(702,764)	(959,701)	(702,764)
<b>Hedged items</b>				
<b>Assets</b>	<b>961,231</b>	<b>701,011</b>	<b>961,231</b>	<b>701,011</b>
Investment abroad	961,231	701,011	961,231	701,011

In structures for hedge of net investment in a foreign operation, the effective portion of the variation in the value of the hedging instrument is recognized in a separate account in shareholders' equity – "Other Comprehensive Income – Hedge of net investment in a foreign operation" (note 23.h). The ineffective portion is recognized directly in profit or loss.



In thousands of Reais, unless otherwise stated

**Income gains and losses with hedging instruments and hedged items**

	Banco do Brasil		Consolidated	
	1st half/2023	1st half/2022	1st half/2023	1st half/2022
Hedge items (losses)/gains	(72,583)	(24,686)	(72,583)	(24,686)
Hedging instruments gains/(losses)	72,583	24,686	72,583	24,686
<b>Net effect <sup>1</sup></b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>

<sup>1</sup> – In the 1st half/2023, the amount of R\$ 14,331 thousand (R\$ 332 thousand in the 1st half/2022) was recognized in the result of derivative financial instruments due to the ineffective portion of the accounting hedge structure.



## 12 – Loan portfolio

### a) Loan portfolio by modality

	Banco do Brasil		Consolidated	
	June 30, 2023	Dec 31, 2022	June 30, 2023	Dec 31, 2022
<b>Loans</b>	<b>809,034,685</b>	<b>785,045,939</b>	<b>820,915,760</b>	<b>797,071,709</b>
Loans and discounted credit rights	339,439,011	325,323,165	345,399,710	332,007,261
Financing	134,488,805	129,166,304	135,355,611	130,219,409
Rural financing	287,161,536	283,439,401	287,161,536	283,439,401
Real estate financing	47,799,092	46,955,266	52,852,662	51,243,835
Loan operations linked to assignment <sup>1</sup>	146,241	161,803	146,241	161,803
<b>Other receivables with loan characteristics</b>	<b>98,517,855</b>	<b>92,018,105</b>	<b>100,116,949</b>	<b>93,796,888</b>
Credit card operations	47,763,310	47,723,600	49,362,404	49,502,383
Advances on exchange contracts (Note 13.d)	24,922,258	23,910,738	24,922,258	23,910,738
Receivables acquisition	12,008,533	10,160,141	12,008,533	10,160,141
Other receivables purchase under assignment <sup>2</sup>	10,582,385	7,411,448	10,582,385	7,411,448
Guarantees honored	75,686	31,023	75,686	31,023
Sundry	3,165,683	2,781,155	3,165,683	2,781,155
<b>Leasing</b>	<b>--</b>	<b>--</b>	<b>525,538</b>	<b>414,726</b>
<b>Total loan portfolio</b>	<b>907,552,540</b>	<b>877,064,044</b>	<b>921,558,247</b>	<b>891,283,323</b>
Current assets	380,728,430	380,417,858	387,190,553	387,613,409
Non-current assets	526,824,110	496,646,186	534,367,694	503,669,914
<b>Allowance for losses associated with credit risk</b>	<b>(50,490,045)</b>	<b>(50,513,636)</b>	<b>(50,674,952)</b>	<b>(50,697,155)</b>
Loan operations	(48,136,612)	(47,673,426)	(48,299,811)	(47,831,412)
Allowance for other losses - other receivables with loan characteristics	(2,353,433)	(2,840,210)	(2,371,129)	(2,862,338)
Allowance for lease losses	--	--	(4,012)	(3,405)
<b>Total loan portfolio net of provisions</b>	<b>857,062,495</b>	<b>826,550,408</b>	<b>870,883,295</b>	<b>840,586,168</b>

1 - Loan operations assigned with retention of the risks and benefits of the financial assets involved in the transaction.

2 - Loans acquired with retention of the risks and benefits by the assignor of the financial assets.





In thousands of Reais, unless otherwise stated

**b) Loan portfolio**

	Banco do Brasil		Consolidated	
	1st half/2023	1st half/2022	1st half/2023	1st half/2022
<b>Loans income</b>	<b>63,802,957</b>	<b>50,932,985</b>	<b>64,875,799</b>	<b>57,994,089</b>
Loans and discounted credit rights	36,854,299	30,066,470	37,324,499	36,575,195
Rural financing	12,945,189	8,087,098	12,945,189	8,087,098
Recovery of loans previously written-off as loss <sup>1</sup>	3,675,922	3,869,255	4,038,966	4,246,520
Financing	2,763,777	1,389,244	2,791,269	1,426,806
Equalization of rates - agricultural crop- Law 8,427/1992	2,767,185	2,724,586	2,767,185	2,724,586
Real estate financing	2,015,134	1,833,154	2,201,450	1,950,010
Export financing	1,768,734	1,408,666	1,768,734	1,408,666
Receivables acquisition	904,290	655,852	904,290	655,852
Advances to depositors	162,445	99,835	185,918	113,917
Guarantees honored	926	5,921	926	5,921
Income from foreign currency financing <sup>2</sup>	(147,971)	741,821	(145,654)	748,435
Other	93,027	51,083	93,027	51,083
<b>Leasing transactions income/(expenses)</b>	<b>--</b>	<b>--</b>	<b>47,533</b>	<b>24,756</b>
<b>Transfer of financial assets income/(expenses) <sup>3</sup></b>	<b>396,543</b>	<b>189,633</b>	<b>357,714</b>	<b>189,633</b>
<b>Total</b>	<b>64,199,500</b>	<b>51,122,618</b>	<b>65,281,046</b>	<b>58,208,478</b>

1 - It was received from assignments without recourse of written off credits to entities outside the financial system the amount of R\$ 546,523 thousand in the 1st half/2023 (with impact on the income of R\$ 300,587 thousand, net of taxes) and R\$ 255,859 thousand in the 1st half/2022 (with impact on the income of R\$ 140,722 thousand, net of taxes), in accordance with CMN Resolution 2,836/2001. The book value of these transactions was R\$ 901,510 thousand and R\$ 670,018 thousand, respectively.

2 - Includes negative foreign exchange variation, related to Foreign operations, in the amount of R\$ 366,252 thousand in the 1st half/2023 and positive foreign exchange variation in the amount of R\$ 731,196 thousand in the 1st half/2022.

3 - In the 1st half/2023 includes the amount of R\$ 243,829 thousand (R\$ 128,911 thousand, net of taxes) and the amount of R\$ 23,581 thousand (R\$ 12,366 thousand, net of taxes) in the 1st half/2022, the result of credit operations assignments without recourse to entities outside of the financial system, in accordance with CMN Resolution 2,836/2001. These assignments generated a positive impact on the result of R\$ 27,212 thousand (R\$ 6,404 thousand in the 1st half/2022), net of allowance for loan losses. The book value of these transactions was R\$ 308,528 thousand and R\$ 34,991 thousand respectively.



In thousands of Reais, unless otherwise stated

**c) Breakdown of the loan portfolio by sector**

	Banco do Brasil				Consolidated			
	June 30, 2023	%	Dec 31, 2022	%	June 30, 2023	%	Dec 31, 2022	%
<b>Public sector</b>	<b>57,956,455</b>	<b>6.5</b>	<b>57,312,373</b>	<b>6.6</b>	<b>58,148,435</b>	<b>6.4</b>	<b>57,543,027</b>	<b>6.5</b>
Public administration	53,135,932	5.9	52,611,541	6.0	53,309,888	5.8	52,816,209	5.9
Oil sector	2,616,388	0.3	2,625,600	0.3	2,616,388	0.3	2,625,600	0.3
Electric power	837,206	0.1	846,818	0.1	837,206	0.1	846,818	0.1
Services	634,491	0.1	539,490	0.1	634,491	0.1	539,490	0.1
Other activities	732,438	0.1	688,924	0.1	750,462	0.1	714,910	0.1
<b>Private sector</b>	<b>849,596,085</b>	<b>93.5</b>	<b>819,751,671</b>	<b>93.4</b>	<b>863,409,812</b>	<b>93.6</b>	<b>833,740,296</b>	<b>93.5</b>
<b>Individuals</b>	<b>578,875,000</b>	<b>63.8</b>	<b>561,431,074</b>	<b>63.9</b>	<b>583,096,789</b>	<b>63.3</b>	<b>565,735,713</b>	<b>63.5</b>
<b>Companies</b>	<b>270,721,085</b>	<b>29.7</b>	<b>258,320,597</b>	<b>29.5</b>	<b>280,313,023</b>	<b>30.3</b>	<b>268,004,583</b>	<b>30.0</b>
Agribusiness of plant origin	39,172,781	4.3	38,320,954	4.4	40,224,206	4.4	39,441,363	4.4
Services	28,956,929	3.2	30,515,894	3.5	30,745,181	3.3	32,044,525	3.6
Mining and metallurgy	19,502,287	2.1	18,969,630	2.2	20,223,004	2.2	19,739,757	2.2
Electric power	16,573,859	1.8	13,442,627	1.5	16,694,095	1.8	13,563,642	1.5
Retail commerce	16,249,531	1.8	16,005,395	1.8	16,428,741	1.8	16,260,340	1.8
Agribusiness of animal origin	15,816,187	1.7	13,810,246	1.6	16,202,445	1.8	14,291,895	1.6
Transportation	14,921,811	1.6	14,599,737	1.7	15,125,786	1.6	14,795,926	1.7
Financial services	13,657,504	1.5	11,933,408	1.4	14,198,099	1.5	12,511,545	1.4
Automotive sector	12,855,137	1.4	12,322,553	1.4	13,217,147	1.4	12,955,178	1.5
Agricultural inputs	12,324,262	1.4	11,637,687	1.3	12,414,384	1.3	11,716,655	1.3
Fuel	10,878,290	1.2	10,296,060	1.2	11,386,653	1.2	10,829,193	1.2
Electronics	10,242,906	1.1	9,798,005	1.1	10,266,553	1.1	9,842,819	1.1
Specific activities of construction	9,741,048	1.1	9,647,623	1.1	9,912,507	1.1	9,857,040	1.1
Chemical	8,936,495	1.0	8,493,827	1.0	9,566,309	1.0	9,234,899	1.0
Wholesale and various industries	7,990,305	0.9	7,934,975	0.9	8,834,907	1.0	8,583,571	1.0
Real estate agents	7,526,028	0.8	6,212,892	0.7	8,549,830	0.9	7,136,047	0.8
Textile and clothing	7,303,166	0.8	7,059,904	0.8	7,365,282	0.8	7,101,570	0.8
Woodworking and furniture market	5,546,151	0.6	5,202,494	0.6	5,568,764	0.6	5,220,448	0.6
Pulp and paper	3,920,579	0.4	3,863,295	0.4	4,031,110	0.4	3,984,616	0.4
Heavy construction	2,931,553	0.3	2,517,630	0.3	3,421,879	0.4	2,986,726	0.3
Telecommunications	2,426,905	0.3	2,133,451	0.2	2,542,417	0.3	2,248,711	0.3
Other activities	3,247,371	0.4	3,602,310	0.4	3,393,724	0.4	3,658,117	0.4
<b>Total</b>	<b>907,552,540</b>	<b>100.0</b>	<b>877,064,044</b>	<b>100.0</b>	<b>921,558,247</b>	<b>100.0</b>	<b>891,283,323</b>	<b>100.0</b>



In thousands of Reais, unless otherwise stated

## d) Loan portfolio by risk level and maturity

	Banco do Brasil										June 30, 2023	Dec 31, 2022
	AA	A	B	C	D	E	F	G	H			
<b>Loans not past due</b>												
<b>Installments falling due</b>												
01 to 30	33,016,496	15,541,418	12,636,024	11,077,992	1,351,974	127,387	61,225	38,785	259,968	74,111,269	65,590,882	
31 to 60	23,336,397	5,156,399	5,185,553	4,057,323	430,444	104,117	58,390	55,473	285,958	38,670,054	32,376,024	
61 to 90	24,517,401	4,521,092	4,338,593	3,359,103	386,999	201,833	33,725	67,383	224,240	37,650,369	27,984,508	
91 to 180	59,967,761	11,338,659	8,944,985	7,781,747	1,037,454	310,275	360,075	200,968	808,924	90,750,848	89,914,871	
181 to 360	74,214,964	13,510,540	14,464,748	11,990,535	1,675,854	633,109	669,774	135,576	1,236,772	118,531,872	144,458,517	
More than 360	317,877,192	62,349,006	55,618,246	43,744,983	8,936,732	5,412,244	1,644,804	2,195,470	13,108,277	510,886,954	482,477,019	
<b>Installments overdue</b>												
Up to 14 days	213,365	57,410	128,111	243,937	70,749	20,799	5,512	62,824	38,933	841,640	1,236,918	
<b>Subtotal</b>	<b>533,143,576</b>	<b>112,474,524</b>	<b>101,316,260</b>	<b>82,255,620</b>	<b>13,890,206</b>	<b>6,809,764</b>	<b>2,833,505</b>	<b>2,756,479</b>	<b>15,963,072</b>	<b>871,443,006</b>	<b>844,038,739</b>	
<b>Loans past due</b>												
<b>Installments falling due</b>												
01 to 30	--	--	69,763	451,347	261,006	141,105	128,790	119,536	487,998	1,659,545	1,816,607	
31 to 60	--	--	31,013	125,406	95,883	61,881	55,933	45,899	171,568	587,583	573,091	
61 to 90	--	--	26,210	113,648	88,054	58,198	53,167	39,587	166,155	545,019	481,337	
91 to 180	--	--	64,297	257,314	230,983	166,222	131,827	107,116	447,236	1,404,995	1,300,745	
181 to 360	--	--	132,708	412,788	406,019	281,547	218,312	222,969	818,829	2,493,172	2,255,134	
More than 360	--	--	1,123,357	2,424,163	2,426,446	2,015,877	1,356,953	1,302,613	5,287,747	15,937,156	14,133,933	
<b>Installments overdue</b>												
01 to 14	--	--	9,151	43,357	41,885	33,679	20,718	17,861	73,234	239,885	201,343	
15 to 30	--	--	197,449	340,654	158,931	49,048	37,731	28,740	116,689	929,242	940,802	
31 to 60	--	--	19,632	605,209	236,323	130,350	77,916	52,670	256,527	1,378,627	1,294,398	
61 to 90	--	--	1	28,846	657,724	131,354	82,462	91,147	263,465	1,254,999	1,124,623	
91 to 180	--	--	--	11,500	67,864	601,480	863,802	1,193,464	884,286	3,622,396	3,198,486	
181 to 360	--	--	--	586	3	44,193	80,606	103,767	5,345,189	5,574,344	5,277,586	
More than 360	--	--	295	1,120	228	149	867	3,283	476,629	482,571	427,220	
<b>Subtotal</b>	<b>--</b>	<b>--</b>	<b>1,673,876</b>	<b>4,815,938</b>	<b>4,671,349</b>	<b>3,715,083</b>	<b>3,109,084</b>	<b>3,328,652</b>	<b>14,795,552</b>	<b>36,109,534</b>	<b>33,025,305</b>	
<b>Total</b>	<b>533,143,576</b>	<b>112,474,524</b>	<b>102,990,136</b>	<b>87,071,558</b>	<b>18,561,555</b>	<b>10,524,847</b>	<b>5,942,589</b>	<b>6,085,131</b>	<b>30,758,624</b>	<b>907,552,540</b>	<b>877,064,044</b>	



In thousands of Reais, unless otherwise stated

	Consolidated										June 30, 2023	Dec 31, 2022
	AA	A	B	C	D	E	F	G	H			
<b>Loans not past due</b>												
<b>Installments falling due</b>												
01 to 30	33,074,732	17,586,399	14,350,224	11,079,398	1,353,115	127,510	61,278	38,804	260,806	77,932,266	70,232,531	
31 to 60	23,491,249	5,458,669	5,212,838	4,057,778	430,459	104,209	58,395	55,480	286,020	39,155,097	32,997,620	
61 to 90	24,643,729	4,743,642	4,353,932	3,359,602	387,030	201,888	33,740	67,411	224,345	38,015,319	28,256,028	
91 to 180	60,078,545	11,882,877	8,991,957	7,783,482	1,037,599	310,429	363,724	201,080	809,270	91,458,963	90,565,177	
181 to 360	74,484,999	13,956,134	14,589,588	11,994,117	1,676,253	633,352	669,962	135,767	1,237,988	119,378,160	145,205,704	
More than 360	318,997,565	63,278,671	60,974,133	43,763,918	8,939,246	5,519,288	1,646,577	2,196,682	13,114,372	518,430,452	489,478,907	
<b>Installments overdue</b>												
Up to 14 days	213,365	61,108	247,402	244,194	70,901	20,949	5,519	62,825	38,946	965,209	1,376,466	
<b>Subtotal</b>	<b>534,984,184</b>	<b>116,967,500</b>	<b>108,720,074</b>	<b>82,282,489</b>	<b>13,894,603</b>	<b>6,917,625</b>	<b>2,839,195</b>	<b>2,758,049</b>	<b>15,971,747</b>	<b>885,335,466</b>	<b>858,112,433</b>	
<b>Loans past due</b>												
<b>Installments falling due</b>												
01 to 30	--	--	69,763	451,347	261,006	141,109	128,790	119,536	488,002	1,659,553	1,816,637	
31 to 60	--	--	31,013	125,406	95,883	61,886	55,933	45,899	171,572	587,592	573,122	
61 to 90	--	--	26,210	113,648	88,054	58,202	53,167	39,587	166,159	545,027	481,367	
91 to 180	--	--	64,297	257,314	230,983	166,234	131,827	107,116	447,248	1,405,019	1,300,824	
181 to 360	--	--	132,708	412,788	406,019	281,569	218,312	222,969	818,851	2,493,216	2,255,178	
More than 360	--	--	1,123,357	2,424,163	2,426,446	2,015,934	1,356,955	1,302,614	5,287,773	15,937,242	14,134,047	
<b>Installments overdue</b>												
01 to 14	--	--	9,151	43,357	41,885	33,679	20,718	17,861	73,238	239,889	201,343	
15 to 30	--	--	245,002	341,439	159,479	49,298	37,803	28,761	116,780	978,562	1,012,471	
31 to 60	--	--	19,632	616,716	236,870	130,607	78,152	52,695	256,664	1,391,336	1,315,118	
61 to 90	--	--	1	28,846	661,539	131,718	82,670	91,341	263,599	1,259,714	1,134,347	
91 to 180	--	--	--	11,500	67,864	609,137	866,787	1,196,164	886,129	3,637,581	3,213,316	
181 to 360	--	--	--	586	3	44,193	80,606	103,767	5,356,479	5,585,634	5,277,792	
More than 360	--	--	295	1,120	228	149	867	3,283	496,474	502,416	455,328	
<b>Subtotal</b>	<b>--</b>	<b>--</b>	<b>1,721,429</b>	<b>4,828,230</b>	<b>4,676,259</b>	<b>3,723,715</b>	<b>3,112,587</b>	<b>3,331,593</b>	<b>14,828,968</b>	<b>36,222,781</b>	<b>33,170,890</b>	
<b>Total</b>	<b>534,984,184</b>	<b>116,967,500</b>	<b>110,441,503</b>	<b>87,110,719</b>	<b>18,570,862</b>	<b>10,641,340</b>	<b>5,951,782</b>	<b>6,089,642</b>	<b>30,800,715</b>	<b>921,558,247</b>	<b>891,283,323</b>	



In thousands of Reais, unless otherwise stated

**e) Allowance for loan losses by risk level**

Level of risk	% Minimum provision	Banco do Brasil							
		June 30, 2023				Dec 31, 2022			
		Value of loans	Minimum required allowance	Supplementary allowance <sup>1</sup>	Total	Value of loans	Minimum required allowance	Supplementary allowance <sup>1</sup>	Total
AA		533,143,576	--	--	--	436,399,915	--	--	--
A	0.5	112,474,524	(562,372)	(38,275)	(600,647)	106,608,756	(533,044)	(49,428)	(582,472)
B	1.0	102,990,136	(1,029,901)	(351,981)	(1,381,882)	171,618,246	(1,716,182)	(736,256)	(2,452,438)
C	3.0	87,071,558	(2,612,146)	(2,484,756)	(5,096,902)	91,129,069	(2,733,872)	(2,432,222)	(5,166,094)
D	10.0	18,561,555	(1,856,156)	(383,697)	(2,239,853)	19,908,361	(1,990,836)	(473,670)	(2,464,506)
E	30.0	10,524,847	(3,157,454)	-	(3,157,454)	10,181,043	(3,054,313)	(199)	(3,054,512)
F	50.0	5,942,589	(2,971,295)	(23,796)	(2,995,091)	6,608,658	(3,304,329)	(50,590)	(3,354,919)
G	70.0	6,085,131	(4,259,592)	--	(4,259,592)	3,904,338	(2,733,037)	--	(2,733,037)
H	100.0	30,758,624	(30,758,624)	--	(30,758,624)	30,705,658	(30,705,658)	--	(30,705,658)
<b>Total</b>		<b>907,552,540</b>	<b>(47,207,540)</b>	<b>(3,282,505)</b>	<b>(50,490,045)</b>	<b>877,064,044</b>	<b>(46,771,271)</b>	<b>(3,742,365)</b>	<b>(50,513,636)</b>

1 - It refers to the supplementary allowance over and above the minimum required by CMN Resolution 2,682/1999. This provision is established based on the internal scale of risk level.

Level of risk	% Minimum provision	Consolidated							
		June 30, 2023				Dec 31, 2022			
		Value of loans	Minimum required allowance	Supplementary allowance <sup>1</sup>	Total	Value of loans	Minimum required allowance	Supplementary allowance <sup>1</sup>	Total
AA		534,984,184	--	--	--	438,682,871	--	--	--
A	0.5	116,967,500	(584,838)	(38,380)	(623,218)	111,424,928	(557,125)	(49,545)	(606,670)
B	1.0	110,441,503	(1,104,415)	(352,458)	(1,456,873)	178,500,365	(1,785,004)	(736,716)	(2,521,720)
C	3.0	87,110,719	(2,613,321)	(2,485,204)	(5,098,525)	91,171,254	(2,735,138)	(2,432,314)	(5,167,452)
D	10.0	18,570,862	(1,857,086)	(383,697)	(2,240,783)	19,926,696	(1,992,670)	(473,671)	(2,466,341)
E	30.0	10,641,340	(3,192,402)	--	(3,192,402)	10,302,684	(3,090,805)	(199)	(3,091,004)
F	50.0	5,951,782	(2,975,891)	(23,796)	(2,999,687)	6,614,094	(3,307,047)	(50,590)	(3,357,637)
G	70.0	6,089,642	(4,262,749)	--	(4,262,749)	3,913,666	(2,739,566)	--	(2,739,566)
H	100.0	30,800,715	(30,800,715)	--	(30,800,715)	30,746,765	(30,746,765)	--	(30,746,765)
<b>Total</b>		<b>921,558,247</b>	<b>(47,391,417)</b>	<b>(3,283,535)</b>	<b>(50,674,952)</b>	<b>891,283,323</b>	<b>(46,954,120)</b>	<b>(3,743,035)</b>	<b>(50,697,155)</b>

1 - It refers to the supplementary allowance over and above the minimum required by CMN Resolution 2,682/1999. This provision is established based on the internal scale of risk level.

**f) Changes in allowance for losses associated with credit risk**

Includes loans, leases and other receivables with characteristics of credit.

	Banco do Brasil		Consolidated	
	1st half/2023	1st half/2022	1st half/2023	1st half/2022
<b>Opening balance</b>	<b>(50,513,636)</b>	<b>(44,470,150)</b>	<b>(50,697,155)</b>	<b>(44,665,729)</b>
(Addition)/reversal	(12,575,338)	(9,063,877)	(12,643,789)	(9,067,329)
Minimum required allowance	(13,035,198)	(9,355,869)	(13,103,289)	(9,360,532)
Supplementary allowance <sup>1</sup>	459,860	291,992	459,500	293,203
Exchange fluctuation - foreign allowances	31,621	52,873	85,777	51,276
Write off	12,567,308	9,562,435	12,580,215	9,580,593
<b>Closing balance</b>	<b>(50,490,045)</b>	<b>(43,918,719)</b>	<b>(50,674,952)</b>	<b>(44,101,189)</b>

1 – It refers to the supplementary allowance over and above the minimum required by CMN Resolution 2,682/1999. This provision is established based on the internal scale of risk level.

**g) Leasing portfolio by maturity**

	Banco do Brasil		Consolidated	
	June 30, 2023	Dec 31, 2022	June 30, 2023	Dec 31, 2022
Up to 1 year <sup>1</sup>	--	--	173,339	139,655
More than 1 year and up to 5 years	--	--	344,605	273,152
over 5 years	--	--	7,594	1,919
<b>Total present value</b>	<b>--</b>	<b>--</b>	<b>525,538</b>	<b>414,726</b>

1 – It includes amounts related to overdue installments.

**h) Concentration of loans**

	June 30, 2023	% of credit portfolio	Dec 31, 2022	% of credit portfolio
Largest debtor	8,984,762	1.0	10,190,482	1.1
10 largest debtors	49,222,395	5.3	49,248,817	5.5
20 largest debtors	72,264,688	7.8	72,798,377	8.2
50 largest debtors	107,008,389	11.6	105,856,445	11.9
100 largest debtors	128,525,550	13.9	126,661,450	14.2

**i) Renegotiated credits**

	Banco do Brasil		Consolidated	
	1st half/2023	1st half/2022	1st half/2023	1st half/2022
<b>Credits renegotiated during the period</b>	<b>48,830,573</b>	<b>38,135,788</b>	<b>48,830,573</b>	<b>38,135,788</b>
Renegotiated when past due <sup>1</sup>	11,189,315	6,959,358	11,189,315	6,959,358
Renovated <sup>2</sup>	37,641,258	31,176,430	37,641,258	31,176,430
<b>Changes on credits renegotiated when past due</b>				
<b>Opening balance</b>	<b>32,689,826</b>	<b>28,512,842</b>	<b>32,689,826</b>	<b>28,512,842</b>
Contracts <sup>1</sup>	11,189,315	6,959,358	11,189,315	6,959,358
Interest (received) and appropriated <sup>3</sup>	(7,763,521)	(3,480,430)	(7,763,521)	(3,480,430)
Write off	(1,997,184)	(2,047,584)	(1,997,184)	(2,047,584)
<b>Closing balance <sup>4</sup></b>	<b>34,118,436</b>	<b>29,944,186</b>	<b>34,118,436</b>	<b>29,944,186</b>
Allowance for loan losses of the portfolio renegotiated when past due	17,241,876	16,342,526	17,241,876	16,342,526
(%) Allowance for loan losses on the portfolio	50.5%	54.6%	50.5%	54.6%
90 days default of the portfolio renegotiated when past due	4,439,171	2,115,556	4,439,171	2,115,556
(%) Portfolio default	13.0%	7.1%	13.0%	7.1%

1 – Renegotiated credit under debt composition as a result of payment delay by the clients.

2 – Renegotiated current credits (i.e. not past due) in the form of the extension or renewal of the credit or the granting of new loans for partial or full settlement of previous contracts or any other type of agreement that changes the maturity or the payment terms, originally agreed.

3 – In the 1st half/2023 it includes renegotiated credits swapped for securities, within the scope of judicial recovery.

4 – It includes the amount of R\$ 994 thousand (R\$ 6,602 thousand as on June 30, 2022) related to renegotiated rural credits. The amount of R\$ 16,747,613 thousand (R\$ 11,858,167 thousand as of June 30, 2022), related to deferred credits from rural portfolio governed by specific legislation, is not included.



In thousands of Reais, unless otherwise stated

**j) Supplementary information**

	Banco do Brasil		Consolidated	
	June 30, 2023	Dec 31, 2022	June 30, 2023	Dec 31, 2022
Undrawn credit lines	197,708,823	188,245,045	197,889,468	188,489,507
Guarantees provided <sup>1</sup>	12,552,199	12,490,464	11,693,283	11,775,904
Contracted credit opened for import	1,671,727	1,012,264	1,803,919	1,047,202
Confirmed export credit	636,141	621,031	636,141	621,031
Linked resources	1,399,931	295,316	1,399,931	295,316

1 - For these operations, the Bank maintains an allowance recorded in Provisions (Note 21.c).

**k) Loans by line of credit from Fund for Workers' Assistance (Fundo de Amparo ao Trabalhador - FAT)**

	TADE <sup>1</sup>	June 30, 2023	Dec 31, 2022
<b>Loans and discounted credit rights</b>		<b>730</b>	<b>1,505</b>
Proger Urbano Capital de Giro	01/2016 e 01/2020	730	1,505
<b>Financing</b>		<b>275,665</b>	<b>336,580</b>
Proger Urbano Investimento	18/2005	255,495	307,479
FAT Taxista	02/2009	20,170	29,101
<b>Rural financing</b>		<b>202</b>	<b>186</b>
Pronaf Investimento	05/2005	46	22
Pronaf Custeio	04/2005	156	163
Proger Rural Investimento	13/2005	--	1
<b>Total</b>		<b>276,597</b>	<b>338,271</b>

1 - TADE - Allocation Term of Special Deposits.



In thousands of Reais, unless otherwise stated

### **l) Programs established to deal with the effects of COVID-19**

The CMN Resolution 4,846/2020 allows financial institutions to participate in the government emergency employment support program (Programa Emergencial de Suporte a Empregos – Pese), under Law 14,043/2020.

According to this Program, financial institutions can provide funding to payroll of entrepreneurs, business companies and cooperative companies, except credit companies. Every financing operation have 85% of resources coming from the national Treasury Secretariat (STN) and the remaining 15% from the Financial Institution counterparty. The same percentage will be applied to the risk of default on credit operations and to possible financial losses.

Law 14,042/2020 established the Emergency Program for Credit Access in the form of receivables guarantee (Peac-Maquinhas). The program is intended to grant loans guaranteed by fiduciary assignment of receivables. In this modality, operations will be carried out entirely with resources from the Federal Government.

In accordance with CMN Resolution 4,855/2020, the Bank presents the balances of credit operations contracted within the scope of programs established to deal with the effects of COVID-19, whose credit risk is partially or fully assumed by the Federal Government, as well as the classification by risk level and the amount of allowance constituted for each level.





In thousands of Reais, unless otherwise stated

Level of risk	% Minimum provision	June 30, 2023				Dec 31, 2022			
		Value of loans	Minimum required allowance	Supplementary allowance <sup>1</sup>	Total	Value of loans	Minimum required allowance	Supplementary allowance <sup>1</sup>	Total
AA <sup>2</sup>		287,022	--	--	--	611,769	--	--	--
A	0.5	2,399	(12)	(3)	(15)	11,882	(59)	(15)	(74)
B	1.0	1,853	(19)	(12)	(31)	8,635	(86)	(65)	(151)
C	3.0	1,489	(45)	(55)	(100)	6,997	(210)	(256)	(466)
D	10.0	96	(10)	(1)	(11)	233	(23)	(4)	(27)
E	30.0	52	(16)	--	(16)	433	(130)	--	(130)
F	50.0	105	(53)	--	(53)	114	(57)	--	(57)
G	70.0	149	(104)	--	(104)	327	(229)	--	(229)
H	100.0	1,167	(1,167)	--	(1,167)	1,995	(1,995)	--	(1,995)
<b>Total</b>		<b>294,332</b>	<b>(1,426)</b>	<b>(71)</b>	<b>(1,497)</b>	<b>642,385</b>	<b>(2,789)</b>	<b>(340)</b>	<b>(3,129)</b>

1 - Refers to the supplementary allowance over and above the minimum required by CMN Resolution 2,682/1999. This provision is established based on the internal scale of risk level.

2 - Basically, refers to operations whose credit risk is assumed by the Federal Government.



## 13 – Other assets

### a) Breakdown

	Banco do Brasil		Consolidated	
	June 30, 2023	Dec 31, 2022	June 30, 2023	Dec 31, 2022
<b>Financials</b>	<b>99,088,057</b>	<b>94,265,671</b>	<b>100,803,627</b>	<b>93,072,415</b>
Sundry debtors from escrow deposits	36,196,703	34,975,776	37,070,635	35,713,450
Foreign exchange portfolio (Note 13.d)	30,978,380	28,876,176	31,111,446	28,986,562
Fund of allocation of surplus – Previ (Note 29.f)	11,579,611	11,315,371	11,579,611	11,315,371
Accrued income	7,621,924	9,786,343	5,805,337	5,458,198
Notes and credits receivable <sup>1</sup>	2,925,978	2,988,819	4,532,897	4,576,765
Fundo de Compensação de Variações Salariais	3,259,413	3,129,805	3,259,413	3,129,805
Other	6,526,048	3,193,381	7,444,288	3,892,264
Current assets	66,329,150	61,068,678	65,872,396	57,882,675
Non-current assets	32,758,907	33,196,993	34,931,231	35,189,740
<b>Non-financial</b>	<b>26,790,702</b>	<b>33,684,686</b>	<b>27,584,234</b>	<b>34,174,900</b>
Actuarial assets (Note 29.e)	21,176,808	28,830,246	21,176,808	28,830,246
Sundry debtors	3,997,137	3,136,680	4,305,244	3,426,316
Held for sale – Received	437,770	542,241	439,080	543,813
Prepaid expenses	520,810	529,205	567,492	583,778
Held for sale – Own	27,870	38,754	37,617	45,755
Assets not for own use and materials in stock	3,889	4,511	37,219	52,431
Other	626,418	603,049	1,020,774	692,561
Current assets	5,538,420	4,757,584	6,206,765	5,177,038
Non-current assets	21,252,282	28,927,102	21,377,469	28,997,862

1 - It includes sundry receivables from the Brazilian National Treasury, in the amount of R\$ 428,922 thousand (R\$ 446,270 thousand on December 31, 2022). Mainly refers to amounts of subsidies in operations with funds MCR 6-2, MCR 6-4 (Rural Credit Manual) and are supported by specific legislation, such as CMN resolutions, the Bahia Cocoa Agriculture Recovery Program (CMN Resolution 2,960/2002) and regional funds (FDNE and FDCO). It also includes receivables from the National Treasury from interest rate equalization of agricultural crops Law 8,427/1992, of R\$ 1,214,457 thousand (R\$ 1,358,911 thousand on December 31, 2022).

### b) Allowance for losses associated with credit risk

	Banco do Brasil		Consolidated	
	June 30, 2023	Dec 31, 2022	June 30, 2023	Dec 31, 2022
Notes and credits receivable	(1,555,532)	(1,567,983)	(1,850,309)	(1,830,569)
Sundry debtors	(711,068)	(739,029)	(711,276)	(739,237)
Accrued income	(872,316)	(758,027)	(872,316)	(758,027)
Other	(25,717)	(23,475)	(25,717)	(23,475)
<b>Total</b>	<b>(3,164,633)</b>	<b>(3,088,514)</b>	<b>(3,459,618)</b>	<b>(3,351,308)</b>



In thousands of Reais, unless otherwise stated

**c) Changes in allowance for losses associated with credit risk**

	Banco do Brasil		Consolidated	
	1st half/2023	1st half/2022	1st half/2023	1st half/2022
<b>Opening balance</b>	<b>(3,088,514)</b>	<b>(2,936,741)</b>	<b>(3,351,308)</b>	<b>(3,246,817)</b>
(Addition)/reversal	(106,352)	(27,742)	(140,674)	(59,381)
Exchange fluctuation - foreign allowances	--	--	1,525	101,185
Write-off/other adjustments	30,233	(2,005)	30,839	(1,939)
<b>Closing balance</b>	<b>(3,164,633)</b>	<b>(2,966,488)</b>	<b>(3,459,618)</b>	<b>(3,206,952)</b>

**d) Foreign exchange portfolio**

	Banco do Brasil		Consolidated	
	June 30, 2023	Dec 31, 2022	June 30, 2023	Dec 31, 2022
<b>Asset position</b>				
Exchange purchases pending settlement	26,888,710	28,464,575	26,970,656	28,464,575
Receivables from sales of foreign exchange	24,113,077	26,267,604	24,164,197	26,377,990
Foreign currency receivables	1,098	1,018	1,098	1,018
(Advances received in national/foreign currency)	(20,024,505)	(25,857,021)	(20,024,505)	(25,857,021)
<b>Total</b>	<b>30,978,380</b>	<b>28,876,176</b>	<b>31,111,446</b>	<b>28,986,562</b>
Current assets	29,402,039	27,087,296	29,535,105	27,197,682
Non-current assets	1,576,341	1,788,880	1,576,341	1,788,880
<b>Liability position</b>				
Exchange purchase liabilities	28,375,890	28,313,228	28,409,974	28,345,035
Exchange sales pending settlement	23,444,779	26,728,740	23,543,596	26,798,262
Foreign currency payables	1,562	1,401	56,889	62,295
<b>Subtotal (Note 20.a)</b>	<b>51,822,231</b>	<b>55,043,369</b>	<b>52,010,459</b>	<b>55,205,592</b>
(Advances on exchange contracts) (Note 12.a)	(24,922,258)	(23,910,738)	(24,922,258)	(23,910,738)
<b>Total</b>	<b>26,899,973</b>	<b>31,132,631</b>	<b>27,088,201</b>	<b>31,294,854</b>
Current liabilities	23,011,915	28,930,687	23,200,143	29,092,910
Non-current liabilities	3,888,058	2,201,944	3,888,058	2,201,944
<b>Net foreign exchange portfolio</b>	<b>4,078,407</b>	<b>(2,256,455)</b>	<b>4,023,245</b>	<b>(2,308,292)</b>
<b>Off balance accounts</b>				
Credit opened for imports	1,981,916	1,458,847	2,114,107	1,493,785
Confirmed export credit	636,141	621,031	636,141	621,031

**e) Other financial assets**

	Banco do Brasil		Consolidated	
	1st half/2023	1st half/2022	1st half/2023	1st half/2022
Foreign exchange results	(463,406)	835,190	(169,385)	954,736
Other	132,978	302,960	132,978	302,960
<b>Total</b>	<b>(330,428)</b>	<b>1,138,150</b>	<b>(36,407)</b>	<b>1,257,696</b>



In thousands of Reais, unless otherwise stated

## 14 – Investments

### a) Changes in subsidiaries, associates and joint ventures

Banco do Brasil	Share capital	Adjusted shareholders' equity <sup>1</sup>	Net income/(loss) <sup>1</sup>	Number of shares (in thousands)		Ownership interest in share capital %	Book value	Changes - 1st half/2023			Book value	Equity income
			1st half/2023	Common	Preferred		Dec 31, 2022	Dividends	Other events <sup>2</sup>	Equity income	June 30, 2023	1st half/2022
<b>Domestic</b>							<b>29,374,268</b>	<b>(4,013,632)</b>	<b>223,771</b>	<b>5,915,566</b>	<b>31,499,973</b>	<b>5,099,336</b>
BB Elo Cartões Participações S.A.	7,734,513	10,563,570	1,131,433	17,703	--	100.00%	9,438,903	--	(6,766)	1,131,433	10,563,570	1,087,978
BB Seguridade Participações S.A. <sup>3 4</sup>	6,269,692	8,349,886	3,732,835	1,325,000	--	66.36%	4,914,650	(2,130,119)	259,637	2,496,635	5,540,803	1,804,485
BB Leasing S.A. - Arrendamento Mercantil	3,261,860	4,807,811	176,268	3,000	--	100.00%	4,798,998	(167,455)	--	176,268	4,807,811	138,892
Banco Votorantim S.A.	8,480,372	12,904,218	528,571	1,096,653	600,952	50.00%	6,459,314	(190,000)	(84,149)	264,289	6,449,454	400,136
BB Banco de Investimento S.A.	417,788	884,919	231,755	3,790	--	100.00%	853,239	(231,754)	31,679	231,755	884,919	234,358
BB Tecnologia e Serviços	218,635	397,332	70,040	248,458	248,586	99.99%	321,592	--	--	70,977	392,569	30,218
BB Administradora de Consórcios S.A.	727,543	894,465	580,597	14	--	100.00%	727,543	(413,675)	--	580,597	894,465	441,068
BB Gestão de Recursos - Distribuidora de Títulos e Valores Mobiliários S.A.	1,191,207	1,430,353	923,903	100,000	--	100.00%	1,385,469	(880,629)	1,610	923,903	1,430,353	923,624
BB Administradora de Cartões de Crédito S.A.	9,300	41,100	16,767	398,158	--	100.00%	24,333	--	--	16,767	41,100	16,368
Other investments							450,227	--	21,760	22,942	494,929	22,209
<b>Overseas <sup>5</sup></b>							<b>6,701,200</b>	<b>(218,306)</b>	<b>(1,618,485)</b>	<b>1,560,695</b>	<b>6,425,104</b>	<b>508,365</b>
Banco Patagonia S.A.	13,506	3,897,058	2,028,612	578,117	--	80.39%	3,221,752	(218,306)	(1,501,414)	1,630,790	3,132,822	876,744
BB Cayman Islands Holding	1,187,451	1,006,778	26,007	211,023	--	100.00%	1,216,880	--	(236,109)	26,007	1,006,778	(20,893)
Banco do Brasil AG	403,143	930,797	(43,725)	638	--	100.00%	1,027,450	--	(52,928)	(43,725)	930,797	(60,008)
BB Securities LLC	27,903	363,081	8,629	5,000	--	100.00%	438,870	--	(84,418)	8,629	363,081	528
Banco do Brasil Americas	778,301	890,287	112,968	11,086	--	100.00%	650,027	--	127,292	112,968	890,287	11,954
BB USA Holding Company	--	748	(46)	--	--	100.00%	857	--	(63)	(46)	748	--
Goodwill on acquisition of investments abroad							145,364		(44,773)	--	100,591	--
Profit/(loss) with foreign exchange in the affiliates and associates <sup>5</sup>							--	--	173,928	(173,928)	--	(299,960)
<b>Total investments in subsidiaries, associates and joint ventures</b>							<b>36,075,468</b>	<b>(4,231,938)</b>	<b>(1,394,714)</b>	<b>7,476,261</b>	<b>37,925,077</b>	<b>5,607,701</b>
(Allowance for losses)							(34,777)	--	34	--	(34,743)	

1 - It includes harmonization adjustments in accounting and considers the unrealized profits on transactions with the Banco do Brasil.

2 - These basically refer to the exchange fluctuation and equity valuation adjustments of available-for-sale securities and the foreign exchange variation on investments abroad.

3 - The investment value considering the quoted market price is R\$ 40,770,250 thousand (R\$ 44,665,750 thousand on December/2022).

4 - Refers to the percentage of the equity interest, considering the acquisition of shares by the invested entity held in treasury.

5 - The net income and equity income of subsidiaries abroad are stated without the effects of foreign exchange variation. These investments are subject to structural hedge and their foreign exchange impacts are reclassified to expenses with funds from financial institutions (Note 18.d.) in the consolidation process.



In thousands of Reais, unless otherwise stated

BB Consolidated	Share capital	Adjusted shareholders' equity <sup>1</sup>	Net income/(loss) <sup>1</sup>	Number of shares (in thousands)		Ownership interest in share capital %	Book value	Changes - 1st half/2023			Book value	Equity income
			1st half/2023	Common	Preferred		Dec 31, 2022	Dividends	Other events <sup>2</sup>	Equity income	June 30, 2023	1st half/2022
<b>Associates <sup>3</sup> and joint ventures <sup>4</sup></b>												
Banco Votorantim S.A.	8,480,372	12,904,218	528,571	1,096,653	600,952	50.00%	6,459,314	(190,000)	(84,149)	264,289	6,449,454	400,136
Cateno Gestão de Contas de Pagamento S.A. <sup>5</sup>	414,000	9,397,377	670,281	1,878,028	939,014	30.00%	2,865,938	(247,810)	--	201,085	2,819,213	136,723
Cielo S.A. <sup>6</sup>	5,699,993	11,674,576	1,149,362	778,320	--	28.89%	3,156,938	(113,721)	(2,647)	332,032	3,372,602	227,031
Brasilprev Seguros e Previdência S.A. <sup>7</sup>	3,529,492	7,527,142	1,150,634	879	1,759	74.99%	4,813,026	(374,975)	343,694	862,860	5,644,605	664,816
BB Mapfre Participações S.A. <sup>7</sup>	1,469,848	2,488,290	1,782,930	944,858	1,889,339	74.99%	1,693,724	(1,217,088)	52,313	1,337,019	1,865,968	753,685
Brasilcap Capitalização S.A. <sup>7</sup>	353,827	664,622	125,926	107,989	159,308	66.77%	433,843	(97,592)	23,288	84,213	443,752	78,239
Elo Participações Ltda. <sup>8</sup>	347,309	2,396,319	788,895	173,620	--	49.99%	1,254,088	(486,475)	35,937	394,369	1,197,919	299,703
UBS BB Serviços de Assessoria Financeira e Participações S.A.	1,425,605	1,445,708	(18,334)	1,954,245	--	49.99%	734,280	--	(2,406)	(9,165)	722,709	6,388
Other investments							537,929	(12,772)	31,368	20,647	577,172	37,450
Unrealized gains <sup>9</sup>							(3,149,056)	--	80,727	--	(3,068,329)	--
<b>Total</b>							<b>18,800,024</b>	<b>(2,740,433)</b>	<b>478,125</b>	<b>3,487,349</b>	<b>20,025,065</b>	<b>2,604,171</b>
(Allowance for losses)							(8,544)	--	(7,983)	--	(16,527)	--

1 - It includes harmonization adjustments in accounting and considers the unrealized profits on transactions with the Banco do Brasil.

2 - It refers basically to equity valuation adjustments of available-for-sale securities.

3 - The Bank has significant influence over the investee through board seats or other measures.

4 - The Bank has joint control over the investees' relevant activities through contractual arrangements.

5 - Indirect interest of the Bank in Cateno, through its subsidiary BB Elo Cartões Participações S.A. The total share of the Bank is 50.22 % (Cielo S.A. holds 70.00 % of direct interest in Cateno).

6 - it refers to the percentage of the equity interest, considering the acquisition of shares by the invested entity held in treasury. The investment value considering the quoted market price is R\$ 3,572,489 thousand (R\$ 4,078,397 thousand on December/2022).

7 - Equity interest held by BB Seguros Participações S.A. It includes harmonization adjustments in accounting practices.

8 - The equity of Elo Participações Ltda. is calculated in proportion to the monthly contribution of BB Elo Cartões in the business of the company, according to agreement of November 01, 2017, between BB Elo Cartões and Bradescard. In 2022, the participation held in Banco Digio S.A. was sold to Bradescard.

9 - Unrealized profit arising from a new strategic partnership between BB Elo Cartões Participações S.A. and Cielo S.A., forming Cateno Gestão de Contas de Pagamento S.A. and unrealized profit arising from strategic partnership between BB-BI and UBS A.G.



In thousands of Reais, unless otherwise stated

**b) Qualitative information of associates and joint ventures**

Company	Place of incorporation		Description	Segment	Strategic participation <sup>1</sup>
	Country	Headquarter location			
Banco Votorantim S.A.	Brasil	São Paulo (SP)	Performs various types of bank activities, such as consumer lending, leasing and investment fund management.	Banking	Yes
Brasilprev Seguros e Previdência S.A.	Brasil	São Paulo (SP)	Commercializes life insurance with survivor coverage and with private retirement and benefit plans.	Insurance	Yes
Cielo S.A.	Brasil	Barueri (SP)	Provides services related to credit and debit cards and payments services.	Electronic payments	Yes
Cateno Gestão de Contas de Pagamentos S.A.	Brasil	Barueri (SP)	Provides services related to the management of transactions arisen from credit and debit card operations.	Electronic payments	Yes
BB Mapfre Participações S.A.	Brasil	São Paulo (SP)	Acts as a holding company for other companies which deal with life, real estate, and agricultural insurance.	Insurance	Yes
Elo Participações Ltda.	Brasil	Barueri (SP)	Acts as a holding company which consolidates the joint business related to electronic payment services.	Electronic payments	Yes
UBS BB Serviços de Assessoria Financeira e Participações S.A.	Brasil	São Paulo (SP)	Operates in investment banking and securities brokerage activities in the institutional segment in Brazil and in certain South American countries.	Investments	Yes
Brasilcap Capitalização S.A.	Brasil	Rio de Janeiro (RJ)	Commercializes capitalization plans and other products and services that capitalization companies are allowed to provide.	Insurance	Yes

1 - Strategic investments are made in companies with activities that complement or support those of the Bank and its subsidiaries.



In thousands of Reais, unless otherwise stated

**c) Summarized financial information of associates and joint ventures, not adjusted for the equity interest percentage held by the Bank**

June 30, 2023	Banco Votorantim S.A.	Brasilprev Seguros e Previdência S.A.	Cielo S.A.	Cateno Gestão de Contas de Pagamento S.A.	BB Mapfre Participações S.A.	Elo Participações Ltda.	UBS BB S.A.	Brasilcap S.A.
Current assets	55,556,066	354,597,732	92,840,134	2,066,803	22,685,538	673,513	253,805	9,372,338
Non-current assets	78,422,291	19,148,322	9,343,250	8,360,263	555,219	2,240,332	1,339,463	3,244,552
Current liabilities	80,132,675	42,000,154	87,121,760	1,029,689	20,267,725	223,613	147,560	10,762,895
Non-current liabilities	40,941,464	325,304,506	3,386,061	--	--	162,532	--	1,189,373
Contingent Liabilities	699,753	34,622	306,272	4,554	741,145	92,150	355	1,176,812
Income from financial intermediation	1,709,279	466,722	(135,982)	--	443,386	--	4,131	204,623
Service fee income	624,971	1,668,665	3,615,269	2,261,133	--	--	14,436	--
Other operating income/expenses	(764,092)	2,666,768	5,127,590	3,276,646	1,962,393	885,672	(13,283)	6,206
Income taxes	189,975	(582,583)	(112,340)	(345,233)	(607,368)	(3,705)	6,248	(81,671)
<b>Net income - 1st half/2023</b>	<b>564,748</b>	<b>876,727</b>	<b>1,149,362</b>	<b>670,281</b>	<b>1,782,930</b>	<b>860,785</b>	<b>(18,334)</b>	<b>125,926</b>
Harmonization adjustments in accounting and unrealized profit	(36,177)	273,907	--	--	--	(71,890)	--	--
<b>Adjusted net income - 1st half/2023</b>	<b>528,571</b>	<b>1,150,634</b>	<b>1,149,362</b>	<b>670,281</b>	<b>1,782,930</b>	<b>788,895</b>	<b>(18,334)</b>	<b>125,926</b>
Ownership percentage	50.00%	74.99%	28.89%	30.00%	74.99%	49.99%	49.99%	66.77%
<b>Equity income</b>	<b>264,289</b>	<b>862,860</b>	<b>332,032</b>	<b>201,085</b>	<b>1,337,019</b>	<b>394,369</b>	<b>(9,165)</b>	<b>84,213</b>
Other comprehensive income	(84,151)	12,202	(2,560)	--	39,867	--	(2,406)	23,287
Total comprehensive income	444,420	1,162,836	1,146,802	670,281	1,822,797	788,895	(20,740)	149,213
<b>Shareholders' equity</b>	<b>12,904,218</b>	<b>6,441,394</b>	<b>11,675,563</b>	<b>9,397,377</b>	<b>2,973,032</b>	<b>2,527,700</b>	<b>1,445,708</b>	<b>664,622</b>
Harmonization adjustments in accounting	--	1,085,748	(987)	--	(484,742)	(131,381)	--	--
<b>Adjusted shareholders' equity</b>	<b>12,904,218</b>	<b>7,527,142</b>	<b>11,674,576</b>	<b>9,397,377</b>	<b>2,488,290</b>	<b>2,396,319</b>	<b>1,445,708</b>	<b>664,622</b>
Ownership percentage	50.00%	74.99%	28.89%	30.00%	74.99%	49.99%	49.99%	66.77%
<b>Carrying amount of the investment</b>	<b>6,452,109</b>	<b>5,644,605</b>	<b>3,372,602</b>	<b>2,819,213</b>	<b>1,865,968</b>	<b>1,197,919</b>	<b>722,709</b>	<b>443,752</b>
Unrealized profit	(2,655)	--	--	(2,509,136)	--	--	(559,193)	--



In thousands of Reais, unless otherwise stated

December 31, 2022	Banco Votorantim S.A.	Brasilprev Seguros e Previdência S.A.	Cielo S.A.	Cateno Gestão de Contas de Pagamento S.A.	BB Mapfre Participações S.A.	Elo Participações Ltda.	UBS BB S.A.	Brasilcap S.A.
Current assets	54,495,025	332,103,907	103,862,851	2,174,296	15,303,319	1,030,474	274,734	7,419,202
Non-current assets	69,247,459	19,536,891	11,155,265	8,554,026	7,983,730	2,235,890	1,388,809	4,072,526
Current liabilities	72,906,936	39,358,053	98,946,425	1,175,150	13,260,125	461,727	194,688	9,702,087
Non-current liabilities	37,913,582	305,795,400	5,143,098	--	7,283,582	164,576	--	1,140,908
Contingent Liabilities	663,938	24,175	2,060,146	12,858	708,942	87,808	10,255	1,129,821
Income from financial intermediation	3,293,585	--	--	--	--	--	--	--
Service fee income	1,394,109	3,244,640	3,733,623	4,445,328	--	--	89,481	--
Other operating income/expenses	(3,052,194)	(974,582)	(2,877,880)	(1,486,266)	3,884,099	1,399,953	(61,215)	302,351
Income taxes	(55,838)	(763,227)	(15,314)	(523,584)	(1,058,694)	40,873	16,205	(121,960)
<b>Net income - 2022</b>	<b>1,494,934</b>	<b>1,679,756</b>	<b>1,569,528</b>	<b>1,010,735</b>	<b>2,732,334</b>	<b>1,387,419</b>	<b>44,472</b>	<b>180,391</b>
Harmonization adjustments in accounting and unrealized profit	730	(3,063)	--	--	--	(113,205)	--	--
<b>Adjusted net income - 2022</b>	<b>1,495,664</b>	<b>1,676,693</b>	<b>1,569,528</b>	<b>1,010,735</b>	<b>2,732,334</b>	<b>1,274,214</b>	<b>44,472</b>	<b>180,391</b>
Ownership percentage	50.00%	74.99%	28.89%	30.00%	74.99%	49.99%	49.99%	66.77%
<b>Equity income</b>	<b>748,562</b>	<b>1,257,352</b>	<b>453,604</b>	<b>303,212</b>	<b>2,048,977</b>	<b>636,980</b>	<b>22,231</b>	<b>120,478</b>
Other comprehensive income	(364,242)	(1,017)	--	--	6,075	--	(3,230)	14,175
Total comprehensive income	1,131,422	1,675,676	1,569,528	1,010,735	2,738,409	1,274,214	41,242	194,565
<b>Shareholders' equity</b>	<b>12,921,966</b>	<b>6,487,345</b>	<b>10,928,592</b>	<b>9,553,172</b>	<b>2,743,342</b>	<b>2,640,061</b>	<b>1,468,855</b>	<b>648,733</b>
Harmonization adjustments in accounting	--	(68,814)	--	--	(484,742)	(131,384)	--	--
<b>Adjusted shareholders' equity</b>	<b>12,921,966</b>	<b>6,418,531</b>	<b>10,928,592</b>	<b>9,553,172</b>	<b>2,258,600</b>	<b>2,508,677</b>	<b>1,468,855</b>	<b>648,733</b>
Ownership percentage	50.00%	74.99%	28.89%	30.00%	74.99%	49.99%	49.99%	66.77%
<b>Carrying amount of the investment</b>	<b>6,460,983</b>	<b>4,813,026</b>	<b>3,156,938</b>	<b>2,865,938</b>	<b>1,693,724</b>	<b>1,254,088</b>	<b>734,280</b>	<b>433,843</b>
Unrealized profit	(1,667)	--	--	(2,567,039)	--	--	(582,017)	--





In thousands of Reais, unless otherwise stated

## 15 - Property for use

	Banco do Brasil							
	Annual depreciation rate	Dec 31, 2022	1st half/2023		June 30, 2023			
		Book value	Changes	Depreciation	Cost value	Accumulated depreciation	Impairment losses	Book value
Buildings	4 to 10%	3,338,402	296,433	(220,940)	9,083,490	(5,668,195)	(1,400)	3,413,895
Data processing systems	10 to 20%	1,600,984	904,265	(339,689)	5,839,056	(3,673,496)	--	2,165,560
Furniture and equipment	10%	2,068,798	184,962	(173,627)	4,442,634	(2,362,463)	(38)	2,080,133
Constructions in progress	--	860,745	70,598	--	931,343	--	--	931,343
Land	--	314,244	(132)	--	314,112	--	--	314,112
Communication and security equipment	10%	250,767	28,062	(24,090)	747,508	(487,714)	(5,055)	254,739
Facilities	10%	99,083	6,399	(11,491)	1,019,220	(925,229)	--	93,991
Vehicles	10%	858	195	(204)	8,393	(7,544)	--	849
Furniture and equipment in stock	--	818	(3)	--	815	--	--	815
<b>Total</b>		<b>8,534,699</b>	<b>1,490,779</b>	<b>(770,041)</b>	<b>22,386,571</b>	<b>(13,124,641)</b>	<b>(6,493)</b>	<b>9,255,437</b>

	Consolidated								
	Annual depreciation rate	Dec 31, 2022	1st half/2023			June 30, 2023			
		Book value	Changes	Depreciation	Reversal of the provision	Cost value	Accumulated depreciation	Impairment losses	Book value
Buildings	4 to 10%	3,383,758	282,950	(223,000)	--	9,149,645	(5,702,221)	(3,716)	3,443,708
Data processing systems	10 to 20%	1,654,856	921,616	(348,341)	3	5,990,834	(3,762,699)	(1)	2,228,134
Furniture and equipment	10%	2,202,771	198,778	(186,427)	--	4,681,871	(2,466,593)	(156)	2,215,122
Constructions in progress	--	896,898	41,383	--	--	938,281	--	--	938,281
Land	--	318,764	(1,159)	--	--	317,605	--	--	317,605
Communication and security equipment	10%	259,417	26,261	(25,206)	--	759,297	(493,770)	(5,055)	260,472
Facilities	10%	105,517	6,370	(11,914)	--	1,028,250	(928,277)	--	99,973
Vehicles	10%	3,119	759	(506)	--	11,612	(8,240)	--	3,372
Furniture and equipment in stock	--	818	(3)	--	--	815	--	--	815
<b>Total</b>		<b>8,825,918</b>	<b>1,476,955</b>	<b>(795,394)</b>	<b>3</b>	<b>22,878,210</b>	<b>(13,361,800)</b>	<b>(8,928)</b>	<b>9,507,482</b>



In thousands of Reais, unless otherwise stated

## 16 – Intangible

### a) Changes and breakdown

	Banco do Brasil				BB Consolidated				
	Rights to manage payroll	Software	Other intangible assets	Total	Rights to manage payroll	Software	Goodwill	Other intangible assets <sup>1</sup>	Total
Annual amortization rate	Contract	10%	Contract		Contract	10%	Technical study	Contract	
<b>Balances at Dec 31, 2022</b>	<b>7,169,459</b>	<b>3,807,131</b>	--	<b>10,976,590</b>	<b>7,169,459</b>	<b>3,837,724</b>	<b>76,020</b>	<b>7,442</b>	<b>11,090,645</b>
<b>Changes</b>									
Additions	202,625	917,478	--	1,120,103	202,625	921,870	--	--	1,124,495
Exchange fluctuation	--	(4,573)	--	(4,573)	--	(6,593)	(26,683)	(2,712)	(35,988)
Write offs	--	(24,665)	--	(24,665)	--	(24,667)	--	--	(24,667)
Amortization	(930,696)	(228,397)	--	(1,159,093)	(930,696)	(234,326)	(4,404)	--	(1,169,426)
<b>Balances at June 30, 2023</b>	<b>6,441,388</b>	<b>4,466,974</b>	--	<b>10,908,362</b>	<b>6,441,388</b>	<b>4,494,008</b>	<b>44,933</b>	<b>4,730</b>	<b>10,985,059</b>
Cost value	9,817,277	8,345,553	38,596	18,201,426	9,817,277	8,451,293	443,223	43,326	18,755,119
Accumulated amortization	(2,910,920)	(3,861,961)	(14,499)	(6,787,380)	(2,910,920)	(3,940,667)	(368,399)	(14,499)	(7,234,485)
Impairment losses	(464,969)	(16,618)	(24,097)	(505,684)	(464,969)	(16,618)	(29,891)	(24,097)	(535,575)
<b>Estimate for amortization</b>	<b>6,441,388</b>	<b>4,466,974</b>	--	<b>10,908,362</b>	<b>6,441,388</b>	<b>4,494,008</b>	<b>44,933</b>	--	<b>10,980,329</b>
2023	939,025	223,349	--	1,162,374	939,025	224,700	3,381	--	1,167,106
2024	1,842,698	446,697	--	2,289,395	1,842,698	449,401	6,761	--	2,298,860
2025	1,381,811	446,697	--	1,828,508	1,381,811	449,401	6,761	--	1,837,973
2026	1,283,291	446,697	--	1,729,988	1,283,291	449,401	6,761	--	1,739,453
2027	910,785	446,697	--	1,357,482	910,785	449,401	6,761	--	1,366,947
After 2027	83,778	2,456,837	--	2,540,615	83,778	2,471,704	14,508	--	2,569,990

1 - Includes the value related to the intangible asset with an undefined useful life.



## b) Goodwill impairment test

The recoverable amount of goodwill based on expected future profitability is determined by the value in use, which is the discounted value of the cash flow projections of the invested entity (cash-generating unit). For the evaluation of the banks, the free cash flow for shareholders discounted by the cost of equity capital calculated for each institution was used.

Assumptions used to project these cash flows are based on public information, budgets and/or business plans of the purchased entities. These assumptions consider current and past performance, as well as expected market and macroeconomic growth.

The cash flow of the entity below was actively projected for five years and considered perpetual from the last period with fixed growth rates. For the periods that exceed the terms of the budget or business plan, the growth estimates are in line with those adopted by the entity. The nominal discount rate is determined annually based on the CAPM (Capital Asset Pricing Model) adjusted for the market and the currency of each country.

Entity (cash-generating unit)	Growth rate p.a. <sup>1</sup>	Discount rate p.a. <sup>2</sup>
Banco Patagonia	20.30 %	28.08 %

1 - Nominal growth in perpetuity.

2 - Geometric average used in economic evaluations.

According to the sensitivity analysis performed, there is no indication that changes in the assumptions would cause the book value of the cash-generating units to exceed the recoverable amount.

In the periods presented, there was no impairment loss on goodwill based on expected future profitability.



## 17 – Customers resources

### a) Deposits

	Banco do Brasil		Consolidated	
	June 30, 2023	Dec 31, 2022	June 30, 2023	Dec 31, 2022
<b>Demand deposits</b>	<b>96,396,878</b>	<b>99,190,849</b>	<b>105,334,153</b>	<b>107,860,381</b>
Individuals	45,780,125	48,798,924	52,000,525	54,726,166
Corporations	31,430,302	38,806,649	34,084,878	41,753,015
Restricted <sup>1</sup>	14,152,039	6,842,535	14,302,317	6,974,301
Associated	341,147	626,841	327,025	399,495
Government	2,861,775	2,657,506	2,861,775	2,657,506
Foreign currency	512,975	373,940	512,975	373,940
Financial system institutions	805,336	676,442	735,052	573,841
National Treasury Special	294,937	89,504	294,937	89,504
Domiciled abroad	102,931	147,738	99,358	141,843
Other	115,311	170,770	115,311	170,770
<b>Savings deposits</b>	<b>205,952,535</b>	<b>213,435,806</b>	<b>205,952,535</b>	<b>213,435,806</b>
Individuals	197,272,347	205,138,491	197,272,347	205,138,491
Corporations	8,289,982	7,888,637	8,289,982	7,888,637
Associated	375,805	393,359	375,805	393,359
Financial system institutions	14,401	15,319	14,401	15,319
<b>Time deposits</b>	<b>432,102,956</b>	<b>409,472,691</b>	<b>456,907,918</b>	<b>431,550,384</b>
Judicial	230,803,486	213,653,955	230,961,968	213,827,828
National currency	178,975,147	170,561,047	178,975,147	170,561,047
Foreign currency	11,608,877	14,890,470	36,255,357	36,794,290
Special Regime <sup>2</sup>	5,938,181	5,782,821	5,938,181	5,782,821
Third party collaterals <sup>3</sup>	2,537,543	2,266,895	2,537,543	2,266,895
Fundo de Amparo ao Trabalhador - FAT (Note 17.d)	387,122	459,744	387,122	459,744
Funproger (Note 17.e)	614,522	565,502	614,522	565,502
Other	1,238,078	1,292,257	1,238,078	1,292,257
<b>Other deposits</b>	<b>336,120</b>	<b>416,476</b>	<b>336,120</b>	<b>416,476</b>
<b>Total</b>	<b>734,788,489</b>	<b>722,515,822</b>	<b>768,530,726</b>	<b>753,263,047</b>
Current liabilities	573,267,297	563,624,485	605,821,550	593,072,021
Non-current liabilities	161,521,192	158,891,337	162,709,176	160,191,026

1 – It includes the amount of R\$ 1,505,355 thousand (R\$ 2,084,491 thousand as of December 31, 2022) relating to DAF resources - Demonstrativos da Distribuição de Arrecadação Federal e Ordens Bancárias do Tesouro.

2 – Special deposits for the Justice Courts, to comply with the Constitutional Transitory Acts pursuant to Constitutional Amendment No. 99/2017.

3 – Cooperation agreements made between the Court houses or councils to attend Brazilian Justice National Council Resolution No. 98/2009.

### b) Segregation of deposits by repayment date

	Banco do Brasil						June 30, 2023	Dec 31, 2022
	Without maturity	up to 90 days	from 91 to 360 days	1 to 3 years	3 to 5 years			
Time deposits <sup>1</sup>	238,063,547	8,876,766	23,641,451	91,845,640	69,675,552	432,102,956	409,472,691	
Savings deposits	205,952,535	--	--	--	--	205,952,535	213,435,806	
Demand deposits	96,396,878	--	--	--	--	96,396,878	99,190,849	
Other deposits	336,120	--	--	--	--	336,120	416,476	
<b>Total</b>	<b>540,749,080</b>	<b>8,876,766</b>	<b>23,641,451</b>	<b>91,845,640</b>	<b>69,675,552</b>	<b>734,788,489</b>	<b>722,515,822</b>	

1 – It includes the amount of R\$ 111,259,868 thousand (R\$ 101,050,296 thousand as of December 31, 2022), of time deposits with early repurchase clause (liquidity commitment), classified based on the contractual maturity dates.

	Consolidated						June 30, 2023	Dec 31, 2022
	Without maturity	up to 90 days	from 91 to 360 days	1 to 3 years	3 to 5 years			
Time deposits <sup>1</sup>	238,063,547	29,387,410	26,747,786	92,560,631	70,148,544	456,907,918	431,550,384	
Savings deposits	205,952,535	--	--	--	--	205,952,535	213,435,806	
Demand deposits	105,334,153	--	--	--	--	105,334,153	107,860,381	
Other deposits	336,120	--	--	--	--	336,120	416,476	
<b>Total</b>	<b>549,686,355</b>	<b>29,387,410</b>	<b>26,747,786</b>	<b>92,560,631</b>	<b>70,148,544</b>	<b>768,530,726</b>	<b>753,263,047</b>	

1 – Includes the amount of R\$ 111,259,868 thousand (R\$ 101,050,296 thousand as of December 31, 2022), of time deposits with early repurchase clause (liquidity commitment), classified based on the contractual maturity dates.

**c) Expenses with customers resources**

	Banco do Brasil		Consolidated	
	1st half/2023	1st half/2022	1st half/2023	1st half/2022
<b>Savings deposits</b>	<b>(7,888,202)</b>	<b>(7,498,810)</b>	<b>(7,888,202)</b>	<b>(7,498,810)</b>
<b>Time deposits</b>	<b>(19,631,612)</b>	<b>(14,017,821)</b>	<b>(24,560,716)</b>	<b>(15,962,939)</b>
Judicial	(11,676,241)	(8,425,011)	(11,680,739)	(8,428,280)
Other	(7,955,371)	(5,592,810)	(12,879,977)	(7,534,659)
<b>Total</b>	<b>(27,519,814)</b>	<b>(21,516,631)</b>	<b>(32,448,918)</b>	<b>(23,461,749)</b>

**d) Workers Assistance Fund (FAT)**

	Resolution /TADE <sup>1</sup>	Repayment of FAT Funds		June 30, 2023			Dec 31, 2022		
		Type <sup>2</sup>	Initial date	Available TMS <sup>3</sup>	Invested TJLP and TLP <sup>4</sup>	Total	Available TMS <sup>3</sup>	Invested TJLP and TLP <sup>4</sup>	Total
<b>Proger Rural and Pronaf</b>				<b>14</b>	<b>85</b>	<b>99</b>	<b>771</b>	<b>104</b>	<b>875</b>
Pronaf Custeio	04/2005	RA	11/2005	2	77	79	5	81	86
Pronaf Investimento	05/2005	RA	11/2005	12	8	20	747	22	769
Rural Investimento	13/2005	RA	11/2005	--	--	--	19	1	20
<b>Proger Urbano</b>				<b>61,586</b>	<b>296,498</b>	<b>358,084</b>	<b>69,202</b>	<b>352,970</b>	<b>422,172</b>
Urbano Investimento	18/2005	RA	11/2005	61,147	295,665	356,812	68,557	351,395	419,952
Urbano Capital de Giro 2020	01/2020	RA	04/2020	439	833	1,272	645	1,575	2,220
<b>Other</b>				<b>6,422</b>	<b>22,517</b>	<b>28,939</b>	<b>4,971</b>	<b>31,726</b>	<b>36,697</b>
FAT Taxista	02/2009	RA	09/2009	6,422	22,517	28,939	4,971	31,726	36,697
<b>Total</b>				<b>68,022</b>	<b>319,100</b>	<b>387,122</b>	<b>74,944</b>	<b>384,800</b>	<b>459,744</b>

1 - TADE - Allocation Term of Special Deposits.

2 - RA - Automatic Return (monthly, 2% of the total balance).

3 - Funds remunerated by the Taxa Média Selic (average selic rate - TMS).

4 - Funds remunerated by Long-term interest rate (TJLP) for resources released until Dec 31, 2017 and Long-Term Rate (TLP) for those released as of Jan 1st, 2018.

FAT is a special accounting and financial fund, established by Law 7,998/1990, associated with the Ministério do Trabalho e Emprego (Ministry of Labor and Employment) and managed by the Executive Council of the Fundo de Amparo ao Trabalhador (Fund for Workers' Assistance) – Codefat. Codefat is a collective, tripartite, equal level organization, composed of representatives of workers, employers and government, who acts as manager of the FAT.

The main actions to promote employment using FAT funds are structured around the Employment and Earnings Generating Program (Proger), which resources are invested through special deposits, established by Law 8,352/1991, in official federal financial institutions. These programs include, among others, the urban Proger program (Investment and Working Capital), Popular Entrepreneur, the National Program for Strengthening Family Farming – Pronaf, in addition to special lines such as FAT Taxista, FAT Turismo Investimento and FAT Turismo Capital de Giro.

The FAT special deposits invested in Banco do Brasil are daily accrued the Average Selic Rate (TMS), when not lent out. As they are invested in the financing, they will be remunerated by the Long Term Rate (TLP) as of January 1, 2018 and TJLP (Long Term Interest Rate) for funds released through December 31, 2017, until maturity. The accruals are paid to FAT on a monthly basis, as established in Codefat Resolutions 439/2005, 489/2006 and 801/2017.

**e) Endorsement fund for the generation of employment and income (Funproger)**

The Endorsement fund for the generation of employment and income (Funproger) is a special accounting fund established on November 23, 1999 by Law 9,872/1999, amended by Law 10,360/2001 and by Law 11,110/2005 and regulated by Codefat Resolution 409/2004, and its amendments. It is managed by Banco do Brasil under the supervision of Codefat.

The objective of Funproger is to provide endorsement to entrepreneurs who do not have the necessary guarantees to contract financing by Proger Urbano and Programa Nacional de Microcrédito Produtivo Orientado, through the payment of a commission. The Funproger equity where incorporated from the spread between TMS and TJLP accrued over FAT special deposits. Other sources of funds are the operations accruals and the income paid by Banco do Brasil, the fund manager.



In thousands of Reais, unless otherwise stated

## 18 – Financial institutions resources

### a) Breakdown

	Banco do Brasil		Consolidated	
	June 30, 2023	Dec 31, 2022	June 30, 2023	Dec 31, 2022
Securities sold under repurchase agreements (Note 18.b)	592,738,506	587,256,553	574,831,776	564,453,599
Borrowings and onlendings (Note 18.c)	118,986,828	126,040,364	62,495,048	64,386,265
Interbank deposits	25,241,424	23,431,548	24,831,616	23,921,286
Liabilities for operations linked to assignments	146,319	161,571	146,319	161,571
<b>Total</b>	<b>737,113,077</b>	<b>736,890,036</b>	<b>662,304,759</b>	<b>652,922,721</b>
Current liabilities	667,736,890	646,829,144	630,572,428	616,608,090
Non-current liabilities	69,376,187	90,060,892	31,732,331	36,314,631

### b) Securities sold under repurchase agreements

	Banco do Brasil		Consolidated	
	June 30, 2023	Dec 31, 2022	June 30, 2023	Dec 31, 2022
<b>Own portfolio</b>	<b>212,157,007</b>	<b>232,532,806</b>	<b>194,485,622</b>	<b>209,729,852</b>
Treasury financial bills	196,392,437	212,925,699	182,679,240	194,439,807
National Treasury bills	--	7	--	7
Securities abroad	8,144,429	9,082,607	4,186,241	4,765,545
Private securities	7,620,141	10,524,493	7,620,141	10,524,493
<b>Third-party portfolio</b>	<b>380,581,499</b>	<b>354,723,747</b>	<b>380,346,154</b>	<b>354,723,747</b>
National Treasury notes	217,616,434	247,312,446	217,575,076	247,312,446
National Treasury bills	83,126,363	107,411,301	83,126,363	107,411,301
Treasury financial bills	79,838,702	--	79,644,715	--
<b>Total</b>	<b>592,738,506</b>	<b>587,256,553</b>	<b>574,831,776</b>	<b>564,453,599</b>
Current liabilities	576,962,600	567,116,216	563,014,058	548,630,323
Non-current liabilities	15,775,905	20,140,337	11,817,717	15,823,276

### c) Borrowings and onlendings

#### Borrowings

	Banco do Brasil					June 30, 2023	Dec 31, 2022
	up to 90 days	from 91 to 360 days	from 1 to 3 years	from 3 to 5 years	over 5 years		
<b>Overseas</b>							
Borrowings from BB Group companies abroad	24,507	16,213,087	14,840,090	--	--	31,077,684	32,910,406
Borrowings from bankers abroad	2,721,143	10,644,707	4,873,843	1,475,626	--	19,715,319	19,747,625
Imports	130,676	150,402	33,821	47,481	9,965	372,345	382,413
Exports	--	--	--	--	--	--	3,286
<b>Total</b>	<b>2,876,326</b>	<b>27,008,196</b>	<b>19,747,754</b>	<b>1,523,107</b>	<b>9,965</b>	<b>51,165,348</b>	<b>53,043,730</b>
Current liabilities						29,884,522	18,700,197
Non-current liabilities						21,280,826	34,343,533

	Consolidated					June 30, 2023	Dec 31, 2022
	up to 90 days	from 91 to 360 days	from 1 to 3 years	from 3 to 5 years	over 5 years		
<b>Overseas</b>							
Borrowings from bankers abroad	2,863,179	10,646,354	4,895,791	1,475,626	--	19,880,950	20,009,370
Imports	130,676	150,402	33,821	47,481	9,965	372,345	382,413
Exports	--	--	--	--	--	--	3,286
<b>Total</b>	<b>2,993,855</b>	<b>10,796,756</b>	<b>4,929,612</b>	<b>1,523,107</b>	<b>9,965</b>	<b>20,253,295</b>	<b>20,395,069</b>
Current liabilities						13,790,611	14,445,189
Non-current liabilities						6,462,684	5,949,880

**Onlendings****Domestic – official institutions**

Programs	Finance charges	Banco do Brasil		Consolidado	
		June 30, 2023	Dec 31, 2022	June 30, 2023	Dec 31, 2022
<b>National Treasury - rural credits resources</b>		<b>170,930</b>	<b>132,828</b>	<b>170,930</b>	<b>132,828</b>
Pronaf	TMS (if available) or Fixed 0.50% p.a. to 4.00% p.a. (if applied)	40,369	6,900	40,369	6,900
Cacau (cocoa)	IGP-M + 8.00% p.a. or TJLP + 0.60% p.a. or Fixed 6.35% p.a.	106,691	111,388	106,691	111,388
Recoop	Fixed 5.75% p.a. to 8.25% p.a. or IGP-DI + 1.00% p.a. or IGP-DI + 2.00% p.a.	9,845	9,842	9,845	9,842
Other		14,025	4,698	14,025	4,698
<b>BNDES</b>	<b>Fixed 0.00% p.a. to 8.12% p.a. TJLP + 0.50% p.a. to 1.13% p.a. IPCA + 4.20% p.a. to 7.77% p.a. IGPM + 2.00 p.a. to 7.26% p.a. Selic + 2.08% p.a. FX Variation + 1.40% p.a. to 2.30% p.a.</b>	<b>12,595,167</b>	<b>13,318,066</b>	<b>12,595,167</b>	<b>13,318,066</b>
<b>Caixa Econômica Federal</b>	<b>Fixed 4.85% p.a. (average)</b>	<b>27,129,287</b>	<b>27,332,771</b>	<b>27,129,287</b>	<b>27,332,771</b>
<b>Finame</b>	<b>Fixed 0.00% p.a. to 10.72% p.a. TJLP + 0.90% p.a. to 2.10% p.a. Selic + 1.70% p.a. to 2.45% p.a. IGPM + 5.00% p.a. to 6,50% p.a. FX Variation + 1.40% p.a. to 3.00% p.a.</b>	<b>2,068,964</b>	<b>2,933,975</b>	<b>2,068,964</b>	<b>2,933,975</b>
<b>Other official institutions</b>		<b>277,405</b>	<b>273,557</b>	<b>277,405</b>	<b>273,557</b>
Funcafé	TMS (if available) Fixed 7.00% p.a. and 11.00% p.a. Funding 4.00% p.a. and 8.00% p.a.	277,379	273,530	277,379	273,530
Other		26	27	26	27
<b>Total</b>		<b>42,241,753</b>	<b>43,991,197</b>	<b>42,241,753</b>	<b>43,991,197</b>
Current liabilities		31,189,244	32,158,951	31,189,244	32,158,951
Non-current liabilities		11,052,509	11,832,246	11,052,509	11,832,246

**Overseas**

	Banco do Brasil		Consolidated	
	June 30, 2023	Dec 31, 2022	June 30, 2023	Dec 31, 2022
Funds obtained under the terms of Resolution BCB 278/2022	25,579,727	29,005,438	--	--
<b>Total</b>	<b>25,579,727</b>	<b>29,005,438</b>	<b>--</b>	<b>--</b>
Current liabilities	6,845,127	7,776,584	--	--
Non-current liabilities	18,734,600	21,228,854	--	--

**d) Expenses from financial institutions resources**

	Banco do Brasil		Consolidated	
	1st half/2023	1st half/2022	1st half/2023	1st half/2022
<b>Securities sold under repurchase agreements</b>	<b>(41,153,125)</b>	<b>(37,548,732)</b>	<b>(40,071,241)</b>	<b>(36,785,483)</b>
Third-party portfolio	(27,286,319)	(28,982,720)	(27,131,177)	(28,399,957)
Own portfolio	(13,866,806)	(8,566,012)	(12,940,064)	(8,385,526)
<b>Interbank deposits <sup>1</sup></b>	<b>156,109</b>	<b>(1,841,313)</b>	<b>1,290,034</b>	<b>(7,370,227)</b>
<b>Borrowings <sup>1</sup></b>	<b>2,220,773</b>	<b>2,785,394</b>	<b>3,339,177</b>	<b>3,918,833</b>
<b>Onlendings <sup>1</sup></b>	<b>(820,456)</b>	<b>(97,310)</b>	<b>403,791</b>	<b>608,542</b>
Overseas <sup>1</sup>	743,227	1,416,064	1,967,474	2,121,916
Caixa Econômica Federal	(951,604)	(844,917)	(951,604)	(844,917)
BNDES	(515,987)	(557,741)	(515,987)	(557,741)
Finame	(43,213)	(73,032)	(43,213)	(73,032)
National Treasury	(4,551)	(7,736)	(4,551)	(7,736)
Other	(48,328)	(29,948)	(48,328)	(29,948)
<b>Foreign exchange profit/(loss) on overseas investments <sup>2</sup></b>	<b>(987,661)</b>	<b>(1,095,134)</b>	<b>(1,161,589)</b>	<b>(1,395,094)</b>
<b>Total</b>	<b>(40,584,360)</b>	<b>(37,797,095)</b>	<b>(36,199,828)</b>	<b>(41,023,429)</b>

1 - The credit balances presented arise from the negative exchange variation of the period (the appreciation of the Real against the Dollar).

2 - Foreign exchange on assets and liabilities of branches and subsidiaries abroad, reclassified to expenses with funds from financial institutions aiming to hedge foreign exchange variation on financial liability instruments contracted to protect the Bank's net income over exchange rate fluctuations.



In thousands of Reais, unless otherwise stated

## 19 - Resources from issuance of debt securities

### a) Breakdown

	Banco do Brasil		Consolidated	
	June 30, 2023	Dec 31, 2022	June 30, 2023	Dec 31, 2022
Funds from issuance of securities (Note 19.b)	213,373,782	166,468,848	222,591,920	174,913,838
Subordinated debt abroad (Note 19.c)	46,520,637	61,962,671	39,420,637	54,832,126
<b>Total</b>	<b>259,894,419</b>	<b>228,431,519</b>	<b>262,012,557</b>	<b>229,745,964</b>
Current liabilities	122,775,195	72,843,784	122,795,945	72,864,685
Non-current liabilities	137,119,224	155,587,735	139,216,612	156,881,279

### b) Funds from issuance of securities

Funding	Currency	Issued value	Remuneration p.a.	Issue date	Maturity	Consolidated	
						June 30, 2023	Dec 31, 2022
<b>Banco do Brasil</b>						<b>213,373,782</b>	<b>166,468,848</b>
<b>Global Medium - Term Notes Program <sup>1</sup></b>						<b>20,222,183</b>	<b>21,530,405</b>
	USD	1,000,000	4.63%	2017	2025	4,914,424	5,318,171
	BRL	293,085	10.15%	2017	2027	304,107	279,647
	USD	750,000	4.88%	2018	2023	--	3,951,059
	COL	160,000,00	8.51%	2018	2025	192,116	160,824
	USD	750,000	4.75%	2019	2024	3,661,527	3,963,523
	BRL	398,000	9.50%	2019	2026	400,566	373,471
	MXN	1,900,000	8.50%	2019	2026	547,523	516,440
	COL	520,000,00	6.50%	2019	2027	594,610	486,600
	USD	750,000	3.25%	2021	2026	3,548,720	3,826,343
	USD	500,000	4.88%	2022	2029	2,452,714	2,654,327
	USD	750,000	6.25%	2023	2030	3,605,876	--
<b>Certificates of deposits <sup>2</sup></b>						<b>8,673,008</b>	<b>5,967,236</b>
Short term			0 to 6.51%			7,514,456	5,826,764
Long term			0 to 6.52%		2026	1,158,552	140,472
<b>Certificates of structured operations</b>						<b>16,183</b>	<b>38,486</b>
Short term			9.39% to 14.37% of DI			15,771	38,156
Long term			11.65% to 12.75% of DI		2024	412	330
<b>Letters of credit - real estate</b>			70.00% to 98.00% of DI			<b>13,974,361</b>	<b>12,197,438</b>
Short term						3,076,609	2,167,110
Long term					2026	10,897,752	10,030,328
<b>Letters of credit agribusiness</b>			75.00% to 103.50% of			<b>161,467,922</b>	<b>122,248,775</b>
Short term						84,123,996	55,703,522
Long term					2025	77,343,926	66,545,253
<b>Financial letters</b>			98.25 of DI			<b>9,020,125</b>	<b>4,486,508</b>
Short term						4,791,274	--
Long term					2026	4,228,851	4,486,508
<b>Banco Patagonia</b>			<b>Badlar</b>			<b>20,750</b>	<b>31,910</b>
Short term						20,750	31,910
<b>Special purpose entities SPE abroad <sup>3</sup></b>						<b>9,218,916</b>	<b>8,434,779</b>
<b>Securitization of future flow of payment orders</b>							
	USD	200,000	Libor 3M + 1.20%	2019	2024	320,442	520,283
	USD	200,000	3.70%	2019	2026	579,088	727,813
	USD	750,000	Sofr 3m + 2.75%	2022/2023	2029	3,608,971	2,084,623
	USD	150,000	6.65%	2022	2032	721,838	784,998
<b>Structured notes <sup>3</sup></b>							
	USD	500,000	Libor 6m + 2.50%	2014/2015	2034	2,440,746	2,641,160
	USD	320,000	Libor 6m + 3.20%	2015	2030	1,547,831	1,675,902
<b>Eliminated amount on consolidation <sup>4</sup></b>						<b>(21,528)</b>	<b>(21,699)</b>
<b>Total</b>						<b>222,591,920</b>	<b>174,913,838</b>
Current liabilities						103,941,730	68,540,766
Non-current liabilities						118,650,190	106,373,072

1 - In September 2021, there was an exchange of securities with the repurchase of "Senior Notes" and an issue included in the "Global Medium - Term Notes" Program. The Issues are presented by their outstanding value since partial repurchases occurred.

2-Securities issued abroad in USD.

3-Information about SPEs may be found in Note 2.e.

4-Refers to securities issued by Banco do Brasil Conglomerate, which are in possession of overseas subsidiaries/entities.



**c) Subordinated debt abroad**

Borrowings	Currency	Issued value <sup>1</sup>	Remuneration p.a.	Issue date	Maturity	Consolidated	
						June 30, 2023	Dec 31, 2022
<b>FCO - Resources from Fundo Constitucional do Centro-Oeste</b>						<b>17,602,139</b>	<b>20,535,828</b>
<b>Subordinated debt abroad</b>						--	<b>3,968,953</b>
	USD mil	741,115	5.88%	2012	2023	--	3,968,953
<b>Subordinated letters of credit</b>						<b>2,843,754</b>	<b>2,453,282</b>
		20,000	100% of CDI + 2.75%	2021	Perpetual	21,194	21,250
		2,328,600	100% of CDI + 2.60%	2022	Perpetual	2,622,680	2,432,032
		199,800	100% of CDI + 2.50%	2023	Perpetuo	199,880	--
<b>Perpetual bonds</b>						<b>26,074,744</b>	<b>35,004,608</b>
	USD	1,285,950	9.25%	01 e 03/2012	Perpetual	--	6,853,656
	USD	1,764,000	6.25%	2013	Perpetual	8,609,468	9,709,989
	BRL	7,100,000	5.50%	2012	Perpetual	7,220,529	7,351,980
	USD	2,120,000	9.00%	2014	Perpetual	10,244,747	11,088,983
<b>Total Banco do Brasil</b>						<b>46,520,637</b>	<b>61,962,671</b>
Eliminated amount on consolidation						--	(30,545)
Total reclassified to shareholders' equity (Note 23.c)						(7,100,000)	(7,100,000)
<b>Total BB Consolidated <sup>2</sup></b>						<b>39,420,637</b>	<b>54,832,126</b>
Current liabilities						18,854,215	4,323,919
Non-current liabilities						20,566,422	50,508,207

1 - It refers in funding in US dollars, the outstanding value, as occurred partial repurchases of these instruments.

2 -The amount of R\$ 17,602,139 thousand (R\$ 20,535,828 thousand as of December 31, 2022) comprise the tier II of the Referential Equity (RE).

3 -Since August 28, 2014, the remuneration is fully variable (Note 23.c).

The amount of R\$ 21,266,173 thousand of the perpetual bonds and subordinated letters of perpetual is included in the Referential Equity (R\$ 29,350,198 thousand as of December 31, 2022), as supplementary capital, see PR calculation table presented in Note 30.c.

The bonds issued in January 2013 of USD 2,000,000 thousand (outstanding value USD 1,764,000 thousand), had their terms and conditions modified on September 27, 2013, in order to adjust them to the rules of Bacen which regulates the implementation of Basel III in Brazil. The changes were effective from October 1, 2013, when the instruments were submitted to Bacen to obtain authorization to be included in the Supplementary Capital (Tier I) of the Bank. The authorization was granted on October 30, 2013.

The bonds issued in June 2014 of USD 2,500,000 thousand (outstanding value USD 2,120,000 thousand), have the option of redemption at the discretion of the Bank from June 18, 2024 or on each subsequent, semi-annual interest payment date, as long as it has been previously authorized by the Central Bank of Brazil. If the Bank does not exercise the option to redeem in June 2024, the interest on the bonds will be adjusted to 6.362% plus the traded rate on 10-year North American Treasury bonds.

In April 2023, the Bank exercised the redemption option for the bonds issued in 2012. If the Bank does not exercise the redemption option in April 2024 for the bonds issued in 2013, and in June 2024 for the bonds issued in 2014, the rate of bond interest is adjusted on that date and every 10 years according to the 10-year North American Treasury bonds at the time plus the initial credit spread. The bonds have the following options of redemption, subject to prior authorization of Bacen:

- (i) the Bank may, at its option, redeem the (i) bonds in whole but not in part in April 2024 for the bonds issued in 2013, and in June 2024 for the bonds issued in 2014, and on each subsequent, semi-annual interest payment date, at the base redemption price;
- (ii) the Bank may, at its option, redeem the bonds in whole, but not in part, after five years from the date of issue, as long as it is before April 2024 for the bonds issued in 2013, and before April 2024 for the bonds issued in 2014, as a result of a tax event, at the base redemption price;
- (iii) the Bank may, at its option, redeem the bonds in whole but not in part, after five years from the date of issue, as long as it is before April 2024 for the bonds issued in 2013, on the occurrence of a regulatory event, at the higher value between the base redemption price and the Make-whole amount;
- (iv) the Bank may, at its option, redeem the bonds in whole but not in part, after five years from the date of issue as long as it is before June 2024 for the bonds issued in 2014, on the occurrence of a regulatory event at the base redemption price.

The bonds issued in January 2013 and in June 2014 determine that the Bank suspend the semi-annual payments of interest and/or accessories on those securities issued (which will not be due or accrued) if:



- (i) distributable income for the period is not sufficient for making the payment (discretionary condition of the Bank);
- (ii) the Bank does not comply, or the payment of such charges does not allow the Bank to comply with the levels of capital adequacy, operating limits, or its financial indicators are under the minimum level required by Brazilian regulations applicable to banks;
- (iii) Bacen or the regulatory authorities determine the suspension of payment of such charges;
- (iv) any event of insolvency or bankruptcy occurs; or
- (v) a default occurs.

According to Basel III rules, the bonds issued in January 2013 and in June 2014 have mechanisms of loss absorption. Moreover, if the item (i) occurs, the payment of dividends by Bank to its shareholders will be limited to the minimum required determined by applicable law until the semi-annual interest payments and / or accessories on those titles have been resumed in full. Finally, these bonds will expire permanently and at the minimum value corresponding to the balance recorded in the Tier I capital of the Bank if:

- (i) the main capital of the Bank is less than 5.125% of the amount of risk-weighted assets (RWA);
- (ii) the decision to make a capital injection from the public sector or an equivalent capital contribution to the Bank is taken, in order to maintain the bank's viability;
- (iii) the Central Bank, on a discretionary assessment regulated by the CMN, sets out, in writing, the expiration of the bonds to enable the continuity of the Bank.

#### d) Expenses from issuance of debt securities

	Banco do Brasil		Consolidated	
	1st half/2023	1st half/2022	1st half/2023	1st half/2022
<b>Funds from acceptance and issuance of securities</b>	<b>(10,257,427)</b>	<b>(6,464,385)</b>	<b>(10,716,551)</b>	<b>(6,693,864)</b>
Letters of credit – agribusiness	(8,173,948)	(4,748,372)	(8,173,948)	(4,748,371)
Financial Bills	(659,927)	(285,051)	(659,927)	(285,051)
Securities issued abroad	(761,592)	(852,275)	(1,220,716)	(1,081,755)
Letters of credit – real estate	(660,331)	(577,970)	(660,331)	(577,970)
Certificates of structured operations	(1,629)	(717)	(1,629)	(717)
<b>Subordinated debt abroad</b>	<b>(1,087,749)</b>	<b>(1,400,539)</b>	<b>(967,219)</b>	<b>(1,268,038)</b>
Perpetual bonds and letters of credit	(1,076,156)	(1,253,434)	(955,627)	(1,120,933)
Other	(11,593)	(147,105)	(11,592)	(147,105)
<b>Total</b>	<b>(11,345,176)</b>	<b>(7,864,924)</b>	<b>(11,683,770)</b>	<b>(7,961,902)</b>



## 20 – Other liabilities

### a) Breakdown

	Banco do Brasil		Consolidated	
	June 30, 2023	Dec 31, 2022	June 30, 2023	Dec 31, 2022
<b>Other financial liabilities</b>	<b>153,483,320</b>	<b>145,443,248</b>	<b>150,256,018</b>	<b>143,049,849</b>
Foreign exchange portfolio (Note 13.d)	51,822,231	55,043,369	52,010,459	55,205,592
Credit/debit card operations	45,522,126	46,245,411	46,016,332	46,760,558
Financial and development funds (Note 20.b)	40,143,914	34,475,895	40,143,914	34,475,895
Securities trading	5,326,972	4,323,132	1,417,236	1,252,363
Other	10,668,077	5,355,441	10,668,077	5,355,441
Current liabilities	107,907,809	109,515,011	109,171,790	110,390,509
Non-current liabilities	45,575,511	35,928,237	41,084,228	32,659,340
<b>Other non-financial liabilities</b>	<b>37,895,356</b>	<b>30,452,907</b>	<b>44,715,299</b>	<b>36,652,409</b>
Actuarial liabilities (Note 29.e)	12,979,017	10,895,695	12,979,017	10,895,695
Sundry creditors	8,859,248	7,486,016	9,505,780	8,154,449
Shareholders and statutory distributions	4,506,525	4,551,829	5,658,292	5,841,534
Billing and collection of taxes and contributions	4,276,767	438,881	4,296,303	460,206
Third party payment obligations	4,223,059	3,860,783	4,223,060	3,860,783
Unearned commissions	--	--	4,021,964	3,548,020
Liabilities for official agreements	1,178,606	984,770	1,178,606	984,770
Unearned revenues	45,482	43,201	980,344	682,401
Other	1,826,652	2,191,732	1,871,933	2,224,551
Current liabilities	37,820,299	30,362,676	41,693,596	34,266,174
Non-current liabilities	75,057	90,231	3,021,703	2,386,235

### b) Financial and development funds

	Banco do Brasil		Consolidated	
	June 30, 2023	Dec 31, 2022	June 30, 2023	Dec 31, 2022
Fundo Constitucional do Centro Oeste - FCO <sup>1</sup>	29,737,279	24,151,159	29,737,279	24,151,159
Marinha Mercante	5,272,630	5,895,208	5,272,630	5,895,208
Fundo de Desenvolvimento do Nordeste - FDNE	3,476,519	2,898,220	3,476,519	2,898,220
Fundo de Desenvolvimento da Amazônia - FDA	907,640	919,219	907,640	919,219
Pasep	343,103	191,804	343,103	191,804
Fundo de Desenvolvimento do Centro Oeste - FDCO	198,334	150,672	198,334	150,672
Funds from Governo do Estado de São Paulo	108,157	106,752	108,157	106,752
Other	100,252	162,861	100,252	162,861
<b>Total</b>	<b>40,143,914</b>	<b>34,475,895</b>	<b>40,143,914</b>	<b>34,475,895</b>
Current liabilities	5,827,225	6,361,626	5,827,225	6,361,626
Non-current liabilities	34,316,689	28,114,269	34,316,689	28,114,269

1 - CMN Resolution 4,955/2021 limited FCO resources to be considered as tier II of the Referential Equity – RE (Note 19.c), thus the amount disclosed refers to what exceed this value. The amount of R\$ 29,314,949 thousand refers to funds applied (remunerated at the rates on the loans funded with these amounts less the del credere of the financial institution, according to article 9 of Law 7,827/1989) and R\$ 422,330 thousand refers resources available (remunerated based on extra-market rate announced by the Banco Central do Brasil, according to article 9 of Law 7,827/1989).

**c) Other funding expenses**

	Banco do Brasil		Consolidated	
	1st half/2023	1st half/2022	1st half/2023	1st half/2022
Financial and development funds <sup>1</sup>	(146,293)	(114,073)	(146,293)	(114,073)
Other	(504,439)	(470,675)	(383,930)	(338,194)
<b>Total</b>	<b>(650,732)</b>	<b>(584,748)</b>	<b>(530,223)</b>	<b>(452,267)</b>

1 – It includes the interest payment about FCO financial intermediation, according to Law 7,827/1989 (Note 20.b) in the amount of R\$ 1,949,819 thousand in 1st half/2023 (R\$ 2,548,764 thousand in 1st half/2022).



## 21 – Provisions and contingent liabilities

### a) Breakdown

	Banco do Brasil		Consolidated	
	June 30, 2023	Dec 31, 2022	June 30, 2023	Dec 31, 2022
<b>Civil, tax and labor claims</b>	<b>18,707,205</b>	<b>18,131,863</b>	<b>18,968,259</b>	<b>18,372,705</b>
Demandas cíveis	11,488,595	11,918,781	11,623,515	12,015,464
Demandas trabalhistas	6,306,305	5,350,814	6,354,995	5,431,614
Demandas fiscais	912,305	862,268	989,749	925,627
<b>Other provisions</b>	<b>6,811,011</b>	<b>6,736,768</b>	<b>7,452,257</b>	<b>7,345,181</b>
Provisions for pending payments	4,686,911	4,547,049	5,318,536	5,146,587
Financial guarantees	291,136	404,098	291,343	404,322
Other	1,832,964	1,785,621	1,842,378	1,794,272
<b>Total</b>	<b>25,518,216</b>	<b>24,868,631</b>	<b>26,420,516</b>	<b>25,717,886</b>

### b) Provisions, contingent assets and liabilities

#### Contingent assets

Contingent assets are not recognized in the financial statements according to CPC 25 – Provisions, Contingent Liabilities and Contingent Assets.

#### Labor lawsuits

The Bank is a party to labor claims involving mainly former employees, banking industry unions or former employees of companies that provide services (outsourced). These claims cover requests of compensation, overtime, incorrect working hours, and additional functions bonus, subsidiary liability, among others.

#### Tax lawsuits

The Bank may receive questions about taxes and tax conduct related to its position as a taxpayer or responsible for tax, in inspection procedures, which may lead to the issuance of tax notices. Most claims arising from the notices relate to service tax (ISSQN), income tax, social contribution (CSLL), the Social Integration Program (PIS), Contribution to Social Security Financing (Cofins), Tax on Financial Transactions (IOF), and Employer Social Security Contributions (INSS). To guarantee the disputed tax credit, the Bank has judicial deposits, pledged collateral in the form of cash, government bonds or real estate pledges when necessary.

#### Civil lawsuits

Civil lawsuits relate mainly to claims from customers and users of the Bank's network. In most cases, they are requesting indemnification for material or moral damages arising from banking products or services, inflationary deductions from Economic Plans about financial investments, judicial deposits and rural credit, return of payment due to revision of contractual clauses on financial responsibilities and actions of demanding accounts proposed by customers to explain entries made in checking accounts.

Indemnifications for material and moral damages are ordinarily based on consumer protection laws and generally settled in specific civil courts. In them, compensations are limited to forty times the minimum wage.

The Bank is a defendant in claims seeking the payment and refunding the overpayment of the difference between the actual inflation rate and the inflation rate used for the adjustment of financial investments and rural credit when Economic Plans (Bresser Plan, Verão Plans and Collor Plans I and II) were implemented in the late 1980's and early 1990's.

Although it complied with prevailing laws and regulations at the time, the Bank set-up provisions for these lawsuits. The provisions consider claims brought against the Bank and the loss risk. Loss probabilities are



determined after an analysis of each claim considering the most recent decisions in the Superior Courts of Justice (STJ) in the Federal Supreme Court (STF).

With respect to cases involving the financial investments related to Economic Plans, the STF suspended prosecution of all cases in the knowledge phase. This will be the case until the court issues a definitive ruling. In the end of 2017, Febraban and the entities representing the savers signed an agreement about the demands involving the economic plans in savings accounts. This agreement has already been approved by STF. Since May 2018, savers can join the agreement, through a tool made available by Febraban. On March 12, 2020, the agreement was extended for 30 months, according to the Amendment signed by the entities representing financial institutions and consumers, being approved by the Plenary of the STF, according to the judgment published on June, 18, 2020, and newly extended for another 30 months, in voting at the Virtual Plenary of the STF, finalized on December, 12, 2022, whose judgment was published on January, 09, 2023.

Regarding lawsuits related to inflationary purges in judicial deposits, Minister Edson Fachin of the Federal Supreme Court, after acknowledging the general repercussion of the constitutional matter dealt with in the Extraordinary Appeal interposed by the Bank, the Caixa Econômica Federal, the Federal Government and the Febraban (RE 1,141,156/RJ), has ordered the suspension of the processes that deal with the matter and that process in the national territory, which was confirmed by STF on December 19, 2019.

The Bank is a defendant on civil lawsuits moved by rural credit borrowers linked to Collor Plan I. The plaintiffs motioned that the Bank indexed their loans incorrectly and is liable to pay the difference. In 2015, STJ decided on the Special Appeal RESP 1,319,232-DF in the Public Civil Lawsuit ACP 94,008514-1, that the Federal Government, the Brazilian Central Bank and the Bank are jointly and severally liable for the indexation differences between the Customer Price Index (IPC - 84.32%) and the National Treasure Bonus (BTN - 41.28%), as found in March 1990, monetarily correcting the amounts from the overpayment, by the index applicable to judicial debts, plus interest for late payment.

The defendants appealed and the litigation has yet to be resolved. A suspensive effect was attributed to the Extraordinary Appeal interposed by Banco do Brasil until the STF judges Extraordinary Appeal 1,101,937/SP, which deals about the territorial extension of the collective sentence. Considering the conclusion of the judgment of RE 1,101,937/SP with the establishment of the thesis of unconstitutionality of art. 16, of Law 7,347/1985, and the consequent possibility of national coverage of the collective judgment.

On March 24, 2021, the Vice President of the STJ revoked the suspensive effect previously attributed to the Extraordinary Appeal filed by the Bank and dismissed it on June 22, 2021. On February 01, 2023, the Special Court of STJ admitted the Bank's appeal and ordered the processing and remittance of the Extraordinary Appeal to the STF. On June 23, 2023, the Extraordinary Appeal was filed under the code number 1,445,162, pending judgment.

#### **Provisions for civil, labor and tax claims – probable loss**

The Bank recorded a provision for civil, labor and tax demands with risk of loss probable, quantified using individual or aggregated methodology, according to the nature and/or process value.

The estimates of outcome and financial effect are determined by the nature of the claims, the management's judgment, by the opinion of legal counsel on the basis of process elements, complemented by the complexity and the experience of similar demands.

The Management considers to be sufficient the provision for losses of civil, labor and tax claims.



In thousands of Reais, unless otherwise stated

**Changes in the provisions for civil, labor and tax claims classified as probable**

	Banco do Brasil		Consolidated	
	1st half/2023	1st half/2022	1st half/2023	1st half/2022
<b>Civil lawsuits</b>				
<b>Opening balance</b>	<b>11,918,781</b>	<b>11,303,452</b>	<b>12,015,464</b>	<b>11,409,264</b>
Addition	2,392,137	1,613,004	2,470,269	1,649,971
Reversal of the provision	(950,144)	(108,530)	(976,912)	(130,697)
Write off	(2,132,230)	(1,626,622)	(2,139,396)	(1,632,535)
Inflation correction and exchange fluctuation	260,051	238,807	254,090	237,293
<b>Closing balance</b>	<b>11,488,595</b>	<b>11,420,111</b>	<b>11,623,515</b>	<b>11,533,296</b>
<b>Labor lawsuits</b>				
<b>Opening balance</b>	<b>5,350,814</b>	<b>4,684,907</b>	<b>5,431,614</b>	<b>4,746,919</b>
Addition	2,377,717	1,267,160	2,389,392	1,271,401
Reversal of the provision	(764,432)	(72,535)	(778,218)	(81,117)
Write off	(906,183)	(783,480)	(934,197)	(784,011)
Inflation correction and exchange fluctuation	248,389	200,376	246,404	199,865
<b>Closing balance</b>	<b>6,306,305</b>	<b>5,296,428</b>	<b>6,354,995</b>	<b>5,353,057</b>
<b>Tax lawsuits</b>				
<b>Opening balance</b>	<b>862,268</b>	<b>537,780</b>	<b>925,627</b>	<b>570,356</b>
Addition	76,482	488,801	119,306	491,115
Reversal of the provision	(43,218)	(64,461)	(72,836)	(67,762)
Write off	(38,793)	(96,770)	(39,051)	(96,770)
Inflation correction and exchange fluctuation	55,566	23,562	56,703	21,726
<b>Closing balance</b>	<b>912,305</b>	<b>888,912</b>	<b>989,749</b>	<b>918,665</b>
<b>Total civil, labor and tax</b>	<b>18,707,205</b>	<b>17,605,451</b>	<b>18,968,259</b>	<b>17,805,018</b>

**Expected outflows of economic benefits**

	Banco do Brasil			Consolidated		
	Civil	Labor	Tax	Civil	Labor	Tax
Up to 5 years	10,631,372	5,623,921	260,870	10,754,865	5,672,439	290,808
Acima de 5 anos	857,223	682,384	651,435	868,650	682,556	698,941
<b>Total</b>	<b>11,488,595</b>	<b>6,306,305</b>	<b>912,305</b>	<b>11,623,515</b>	<b>6,354,995</b>	<b>989,749</b>

**Contingent liabilities – possible loss**

The civil, labor and tax lawsuits for which the risk of loss is considered possible do not require provisions when the final outcome of the process is unclear and when the probability of losing is less than probable and higher than the remote.

**The balances of contingent liabilities classified as possible loss**

	Banco do Brasil		Consolidated	
	June 30, 2023	Dec 31, 2022	June 30, 2023	Dec 31, 2022
Tax lawsuits <sup>1</sup>	15,888,297	15,547,053	16,975,076	16,441,899
Civil lawsuits	2,339,101	2,237,911	2,728,288	2,359,110
Labor lawsuits	104,980	98,652	131,754	124,079
<b>Total</b>	<b>18,332,378</b>	<b>17,883,616</b>	<b>19,835,118</b>	<b>18,925,088</b>

1 - The main contingencies originate from (i) notices of labor infraction from the National Social Security Institute (INSS) or from the Federal Revenue of Brazil aiming at the payment of employee profit sharing in the amount of R\$ 2,264,736 thousand; and meal tickets in the amount of R\$ 2,814,673 thousand; and (ii) notices of tax assessment drawn by the Treasuries of the Municipalities, which amounts R\$ 2,241,232 thousand.

**Deposits in guarantee****Deposits in guarantee balances recorded for contingencies**

	Banco do Brasil		Consolidated	
	June 30, 2023	Dec 31, 2022	June 30, 2023	Dec 31, 2022
Civil lawsuits	19,595,911	19,345,414	19,746,894	19,399,827
Tax lawsuits	8,569,895	8,190,241	9,330,206	8,804,854
Labor lawsuits	7,920,546	7,391,594	7,948,128	7,421,326
<b>Total</b>	<b>36,086,352</b>	<b>34,927,249</b>	<b>37,025,228</b>	<b>35,626,007</b>



**c) Financial guarantees**

	Banco do Brasil				Consolidated			
	June 30, 2023		Dec 31, 2022		June 30, 2023		Dec 31, 2022	
	Guaranteed values	Provision	Guaranteed values	Provision	Guaranteed values	Provision	Guaranteed values	Provision
Other financial guarantees provided <sup>1</sup>	2,663,777	206,657	2,576,478	338,083	1,908,342	206,864	2,097,859	338,307
Sureties or guarantees in lawsuits and in tax-based administrative proceedings	444,241	75,664	448,534	59,656	315,175	75,664	319,468	59,656
Other bank guarantees	7,393,126	8,059	7,390,918	5,329	7,499,926	8,059	7,506,944	5,329
Guarantees related to bidding, auctions, service rendering or execution of works	1,712,223	525	1,778,892	604	1,628,718	525	1,553,570	604
Guarantees related to the supply of goods	209,031	63	143,617	73	209,031	63	143,617	73
Guarantees related to international trade of goods	129,801	168	152,025	353	129,803	168	152,025	353
Other guarantees	--	--	--	--	2,288	--	2,421	--
<b>Total</b>	<b>12,552,199</b>	<b>291,136</b>	<b>12,490,464</b>	<b>404,098</b>	<b>11,693,283</b>	<b>291,343</b>	<b>11,775,904</b>	<b>404,322</b>

1 -Refers mainly to guarantees provided in foreign currency.

The operations of financial guarantees provided are evaluated through the risk classification models of operations in force in the institution, in the same format as the credit operations, which follow the provisions of CMN Resolutions 2,682 and 2,697 disclosed on December 21, 1999 and February 24, 2000, respectively, which set out the classification criteria for credit operations and the rules for the constitution of allowance for losses associated with credit risk.

The risk classification of operations is carried out by applying methodologies developed that take into account the characteristics of customers, operations and guarantees. The final result of the classification is the assignment of risk according to the scale contained in CMN Resolution 2,682/1999, which defines the percentage of provision that should be allocated to the operation.

**d) Provisions expenses**

	Banco do Brasil		Consolidated	
	1st half/2023	1st half/2022	1st half/2023	1st half/2022
<b>Civil, tax and labor claims</b>	<b>(3,652,873)</b>	<b>(3,975,370)</b>	<b>(3,726,596)</b>	<b>(3,992,096)</b>
Civil	(1,702,369)	(1,718,165)	(1,765,845)	(1,742,248)
Labor	(1,861,674)	(1,395,001)	(1,857,578)	(1,390,149)
Tax	(88,830)	(447,902)	(103,173)	(445,079)
Provision for tax risks (restatement of deposit)	--	(414,302)	--	(414,620)
<b>Other</b>	<b>59,069</b>	<b>(107,414)</b>	<b>58,813</b>	<b>(107,108)</b>
Financial guarantees	112,708	74,081	112,853	74,387
Other	(53,639)	(181,495)	(54,040)	(181,495)
<b>Total</b>	<b>(3,593,804)</b>	<b>(4,082,784)</b>	<b>(3,667,783)</b>	<b>(4,099,204)</b>



## 22 – Taxes

### a) Breakdown of income tax (IR) and social contribution expenses (CSLL)

	Banco do Brasil		Consolidated	
	1st half/2023	1st half/2022	1st half/2023	1st half/2022
<b>Current values</b>	<b>(356,351)</b>	<b>(1,590,049)</b>	<b>(2,731,773)</b>	<b>(3,697,117)</b>
Domestic income tax and social contribution	(312,512)	(1,563,281)	(2,437,361)	(3,663,743)
Foreign income tax	(43,839)	(26,768)	(294,412)	(33,374)
<b>Deferred values</b>	<b>(1,504,603)</b>	<b>(229,692)</b>	<b>(1,534,254)</b>	<b>(111,656)</b>
<b>Deferred tax liabilities</b>	<b>(2,052,608)</b>	<b>(1,810,457)</b>	<b>(2,070,365)</b>	<b>(1,799,422)</b>
Leasing - portfolio adjustment and accelerated depreciation	--	--	(12,076)	(5,459)
Fair value	172,509	258,878	159,465	265,101
Positive adjustments of benefits plans	(887,866)	(605,261)	(887,866)	(605,261)
Interest and inflation adjustment of fiscal judicial deposits	--	(186,436)	--	(186,436)
Foreign profits	(827,817)	(506,843)	(827,817)	(506,843)
Transactions carried out on the futures market	38,007	(92,790)	38,007	(92,790)
Recovered term credits	(547,441)	(678,005)	(547,441)	(678,005)
Unrealized gains (BB-BI)	--	--	10,271	10,271
Other	--	--	(2,908)	--
<b>Deferred tax assets</b>	<b>548,005</b>	<b>1,580,765</b>	<b>536,111</b>	<b>1,687,766</b>
Temporary Differences	570,142	1,997,332	618,255	2,056,242
Tax losses/CSLL negative bases	70,485	(453,268)	70,485	(453,268)
Fair value	(92,622)	39,713	(152,629)	87,804
Transactions carried out on the futures market	--	(3,012)	--	(3,012)
<b>Total</b>	<b>(1,860,954)</b>	<b>(1,819,741)</b>	<b>(4,266,027)</b>	<b>(3,808,773)</b>

### b) Reconciliation of income tax and social contribution charges

	Banco do Brasil		Consolidated	
	1st half/2023	1st half/2022	1st half/2023	1st half/2022
<b>Profit before taxation and profit sharing</b>	<b>20,419,129</b>	<b>17,885,889</b>	<b>24,613,842</b>	<b>21,135,330</b>
Total charges of IR (25%) and CSLL (20%)	(9,188,608)	(8,048,650)	(11,076,228)	(9,510,898)
Charges upon interest on own capital	2,568,039	1,989,481	2,568,039	1,989,481
Net gains from equity method investments	3,438,687	2,792,956	1,572,900	1,171,240
Employee profit sharing	945,406	815,463	947,789	816,705
Other amounts <sup>1</sup>	375,522	631,009	1,721,473	1,724,699
<b>Income tax and social contribution</b>	<b>(1,860,954)</b>	<b>(1,819,741)</b>	<b>(4,266,027)</b>	<b>(3,808,773)</b>

1 - Mainly refer to the income of the Fundo Constitucional de Financiamento do Centro-Oeste – FCO.

### c) Tax expenses

	Banco do Brasil		Consolidated	
	1st half/2023	1st half/2022	1st half/2023	1st half/2022
Cofins	(1,795,859)	(1,547,064)	(2,278,591)	(1,949,235)
ISSQN	(492,188)	(460,590)	(677,392)	(617,508)
PIS/Pasep	(291,908)	(251,476)	(388,218)	(331,556)
Other	(93,511)	(89,737)	(651,817)	(383,422)
<b>Total</b>	<b>(2,673,466)</b>	<b>(2,348,867)</b>	<b>(3,996,018)</b>	<b>(3,281,721)</b>



In thousands of Reais, unless otherwise stated

**d) Deferred tax liabilities**

	Banco do Brasil		Consolidated	
	1st half/2023	Dec 31, 2022	1st half/2023	Dec 31, 2022
Positive adjustments of benefits plans	6,649,399	10,166,060	6,649,399	10,166,060
Recovered term credits	2,139,957	1,592,516	2,139,957	1,592,516
Financial instruments fair value	1,353,873	1,348,279	1,459,291	1,418,926
Foreign entities	827,817	--	827,817	--
Interest and inflation adjustment of fiscal judicial deposits	134,144	134,144	134,144	134,144
Futures market transactions	30,996	73,122	30,996	73,122
Leasing portfolio adjustment	--	--	48,564	36,487
Foreign entities	44,420	24,722	85,893	56,290
Other	95,512	60,993	110,630	72,331
<b>Total deferred tax liabilities</b>	<b>11,276,118</b>	<b>13,399,836</b>	<b>11,486,691</b>	<b>13,549,876</b>
Income tax	5,922,322	6,968,777	6,055,832	7,065,408
Social contribution	4,852,192	5,566,863	4,915,464	5,610,598
Cofins	431,069	742,975	442,798	751,196
PIS/Pasep	70,535	121,221	72,597	122,674

**e) Deferred tax assets (tax credit)**

	Banco do Brasil			
	Dec 31, 2022	1st half/2023		June 30, 2023
	Balance	Constitution	Write off	Balance
Temporary Differences	50,157,390	11,043,430	(9,514,978)	51,685,842
Allowance for losses associated with credit risk	30,707,785	6,706,882	(6,336,456)	31,078,211
Provisions - taxes and social security	588,780	30,604	(3,420)	615,964
Provisions - others	14,697,348	3,096,039	(2,793,398)	14,999,989
Negative adjustments of benefits plans	959,100	915,747	--	1,874,847
Fair value adjustments (MTM)	1,648,055	278,827	(373,336)	1,553,546
Other provisions	1,556,322	15,331	(8,368)	1,563,285
CSLL written to 18% (MP 2,158/2001)	636,538	--	--	636,538
Tax losses carryforward/negative bases	2,939,160	1,098,984	(1,028,498)	3,009,646
<b>Total deferred tax assets</b>	<b>53,733,088</b>	<b>12,142,414</b>	<b>(10,543,476)</b>	<b>55,332,026</b>
Income tax	29,784,288	6,732,705	(5,833,326)	30,683,667
Social contribution	23,791,077	5,385,417	(4,672,357)	24,504,137
Cofins	135,676	20,896	(32,510)	124,062
PIS/Pasep	22,047	3,396	(5,283)	20,160

	Consolidated			
	Dec 31, 2022	1st half/2023		June 30, 2023
	Balance	Addition	Write off	Balance
Temporary Differences	51,666,288	11,334,596	(9,743,393)	53,257,491
Allowance for losses associated with credit risk	30,823,904	6,719,991	(6,336,672)	31,207,223
Provisions - taxes and social security	611,107	50,542	(14,340)	647,309
Provisions - others	14,764,413	3,103,393	(2,795,555)	15,072,251
Negative adjustments of benefits plans	959,100	915,747	--	1,874,847
Fair value adjustments (MTM)	1,793,835	335,448	(513,492)	1,615,791
Other provisions	2,713,929	209,475	(83,334)	2,840,070
CSLL written to 18% (MP 2,158/2001)	636,538	--	--	636,538
Tax losses carryforward/negative bases	2,991,198	1,103,957	(1,040,031)	3,055,124
<b>Total deferred tax assets</b>	<b>55,294,024</b>	<b>12,438,553</b>	<b>(10,783,424)</b>	<b>56,949,153</b>
Income tax	30,934,123	6,901,206	(5,962,860)	31,872,469
Social contribution	24,141,931	5,468,181	(4,757,390)	24,852,722
Cofins	185,677	58,030	(53,966)	189,741
PIS/Pasep	32,293	11,136	(9,208)	34,221



In thousands of Reais, unless otherwise stated

**f) Deferred tax assets (Tax credit - not recorded)**

	Banco do Brasil		Consolidated	
	June 30, 2023	Dec 31, 2022	June 30, 2023	Dec 31, 2022
Foreign deferred tax assets	1,169,829	1,317,072	1,169,829	1,317,072
Tax losses carryforward/negative bases	--	--	23,261	22,744
Temporary Differences	--	--	4,090	3,864
<b>Total deferred tax assets</b>	<b>1,169,829</b>	<b>1,317,072</b>	<b>1,197,180</b>	<b>1,343,680</b>
Income tax	649,905	731,707	670,016	751,272
Social contribution	519,924	585,365	527,164	592,408

**Realization expectative**

The expectation of realization of the deferred tax assets (tax credits) is based on a technical study, prepared on June 30, 2023, and the present value is determined based on the average rate of funding of Banco do Brasil.

	Banco do Brasil		Consolidated	
	Future value	Present value	Future value	Present value
In 2023	8,718,148	8,710,137	8,936,689	8,811,668
In 2024	22,126,750	20,920,017	22,557,202	21,056,385
In 2025	12,180,736	11,002,536	12,453,830	11,098,114
In 2026	4,569,325	3,945,087	4,751,304	4,035,027
In 2027	4,502,949	3,716,095	4,597,903	3,741,087
In 2028	3,031,867	2,391,582	3,100,232	2,409,245
In 2029	92,211	69,525	123,731	85,357
In 2030	14,797	10,664	35,820	20,639
In 2031	26,813	18,471	29,530	19,565
In 2032	68,430	45,057	359,632	179,555
In 2033	--	--	3,280	1,260
<b>Total deferred tax assets on Jun 30, 2023</b>	<b>55,332,026</b>	<b>50,829,171</b>	<b>56,949,153</b>	<b>51,457,902</b>

In the 1st half/2023, it was possible to observe the realization of tax credits at Banco do Brasil, in the amount of R\$ 10,543,476 thousand (R\$ 10,783,424 thousand in Consolidated) corresponding to 66.67% of the projection of use for the period of 2023 contained in the technical study prepared on December 31, 2022.

The realization of the nominal value of tax credits registered, based on a technical study conducted by Banco do Brasil on June 30, 2023, is projected for 10 years in the following proportions:

	Banco do Brasil		Consolidated	
	Tax losses/CSLL recoverable <sup>1</sup>	Temporary Differences <sup>2</sup>	Tax losses/CSLL recoverable <sup>1</sup>	Temporary Differences <sup>2</sup>
In 2023	41%	14%	41%	14%
In 2024	46%	40%	46%	39%
In 2025	13%	23%	13%	22%
From 2026	0%	23%	0%	25%

<sup>1</sup> Projected consumption linked to the capacity to generate IR and CSLL taxable amounts in subsequent periods.

<sup>2</sup> The consumption capacity results from the movements of provisions (expectation of reversals, write offs and uses).

**23 – Shareholder’s equity****a) Book value and market value per common share**

	June 30, 2023	Dec 31, 2022
Shareholders' equity - Banco do Brasil	157,200,284	153,839,319
Book value per share (R\$) <sup>1</sup>	55.09	53.91
Fair value per share (R\$)	49.40	34.73
Shareholders' equity - consolidated	167,680,247	164,028,843

1 - Calculated based on the equity attributable to shareholders of Banco do Brasil.

**b) Capital**

Banco do Brasil’s share capital of R\$ 120,000,000 thousand (R\$ 90,000,023 thousand on December 31, 2022) is fully subscribed and paid-in and consists of 2,865,417,020 common shares with no par value. The Federal Government is the largest shareholder and holds a majority of the Bank’s voting shares.

The share capital increase for the period from December 31, 2022 to June 30, 2023, in the amount of R\$ 29,999,977 thousand, resulted from the use of Statutory reserve for operating margin, approved by the Special Meeting of Shareholders held on April 27, 2023 and authorized by Bacen on June 19, 2023.

**c) Instruments qualifying as common equity tier 1 capital**

The Bank signed a loan agreement with the federal government on September 26, 2012, as hybrid capital and debt instrument, in the amount up to R\$ 8,100,000 thousand, whose resources were designated to finance agribusiness.

As result of the amendment, on 28.08.2014, the interest rate was changed to variable rate, and the interest period was changed to match the Bank’s fiscal year (January 1 to December 31). Each years’ interest is paid in a single annual installment, adjusted by the Selic rate up to the effective payment date. Payment must be made within 30 calendar days after the dividend payment for the fiscal year.

The interest payment must be made from profits or profit reserves available for distribution at the end of the fiscal year preceding the calculation date. Payment is at Management’s discretion. Unpaid interest does not accumulate. If the payment or dividend distribution is not made (including in the form of interest on own capital) prior to the end of the subsequent fiscal year, the accrued interest is no longer owed.

If the Bank’s retained earnings, profit reserves (including the legal reserve) and capital reserve cannot fully absorb losses calculated at the end of a fiscal year, the Bank will no longer be obligated to the interest. The Bank will apply the accrued interest and principal balance, in this order, to offset any remaining losses. This will be considered a pay-down of the instrument.

The instrument does not have a maturity date. It is only payable if the Bank is dissolved or Bacen authorizes the repurchase of the instrument. If the Bank is dissolved, the payment of principal and interest is subordinated to payment of the Bank’s other liabilities. There will be no preferred interest on the loan under any circumstances, including in relation to other equity instruments included in Reference Equity.

As the instrument is qualifying as Common Equity Tier I Capital, under the terms of Law 12,793 of April 02,2013, and Resolution 4,955/2021, its balance is reclassified to the Shareholders’ Equity, for disclosure purposes.

According to the Information to the Market, dated April 8, 2021, the Bank presented a proposal to return the referred instrument in seven annual installments of R\$ 1 billion and a final installment of R\$ 1.1 billion, based on a schedule between July/2022 and July/2029.



In thousands of Reais, unless otherwise stated

**d) Capital and profit reserves**

	Banco do Brasil		Consolidated	
	June 30, 2023	Dec 31, 2022	June 30, 2023	Dec 31, 2022
Capital reserves	1,406,118	1,402,523	1,407,902	1,404,253
Profit reserves	50,914,037	70,510,416	50,541,777	70,142,173
Legal reserve	12,599,854	11,777,636	12,599,854	11,777,636
Statutory reserves	38,314,183	58,732,780	37,941,923	58,364,537
Operating margin	31,872,137	51,578,722	31,335,926	51,047,561
Capital payout equalization	6,442,046	7,154,058	6,605,997	7,316,976

The capital reserve is intended, among others, to recognize the amounts related to transactions with share based payments or other share capital instruments to be settled with the delivery of equity instruments, as well as the profit earned on the sale of treasury shares.

The legal reserve ensures the adequacy of the Bank's capital structure and can only be used to offset losses or increase capital. Five percent of net income, before any other allocations, is transferred to the legal reserve. The amount of the reserve cannot exceed 20% of the share capital.

The operating margin statutory reserve ensures the adequacy of the Bank's operating margins in accordance with its business activities. The reserve consists of up to 100% of net income after allocation to legal reserve (including dividends) and is limited to 80% of the share capital.

The reserve for capital payout equalization provides funds for the capital payout. The reserve consists of up to 50% of net income after allocation to legal reserve (including dividends) and is limited to 20% of the share capital.

**e) Earnings per share**

	1st half/2023	1st half/2022
Net income Banco do Brasil (R\$ thousand)	16,444,357	14,243,070
Weighted average number of shares (basic)	2,853,992,740	2,853,771,411
Weighted average number of shares (diluted) <sup>1</sup>	2,853,687,430	2,853,510,658
Earnings per share (basic and diluted) (R\$)	5.76	4.99

1 - The reconciliation of the weighted average number of shares is represented by the future distribution of shares to the executives of the Bank according to the Variable Remuneration Program (Notes 23.m), of 305,310 and 260,753 respectively, in each of the periods presented.

**f) Interest on own capital/dividends and destination of the income**

In accordance with Laws 9,249/1995, 9,430/1996 and the Bank's Bylaws, Management decided on the payment of Interest on own capital to its shareholders.

In compliance with the income tax as well as social contribution legislation, the interest on own capital is calculated based on adjusted net equity value. It is limited, on a pro rata die basis, to the variation of long-term interest rate, as long as there is profit (before the deduction of interest on own capital) or reserves for retained earnings and profit reserves of at least twice its value, being deductible in the calculation of the taxable income.

Calculation base of dividends and the destination of the income of the period are shown below:

	1st half/2023	1st half/2022
<b>1) Net income - Banco do Brasil</b>	<b>16,444,357</b>	<b>14,158,499</b>
Domestic	13,979,538	13,116,388
Overseas	2,464,819	1,042,111
(±) Retained earnings/losses	427,181	5,979
(-) Legal reserve	(822,218)	(707,925)
<b>2) Adjusted Net Income</b>	<b>16,049,320</b>	<b>13,456,553</b>
<b>3) Interest on instrument qualifying as common equity tier 1 capital</b>	<b>120,529</b>	<b>132,501</b>
<b>4) Calculation base of dividends (item 2 + item 3)</b>	<b>16,169,849</b>	<b>13,589,054</b>
<b>5) Allocation</b>		
Dividends and interest on own capital	6,467,939	5,435,622
Minimum required dividend	4,012,330	3,364,138
Additional dividend	1,599,596	1,408,324
Withholding tax applied to the interest on own capital <sup>1</sup>	856,013	663,160
Statutory reserves	14,704,846	12,112,110
Statutory reserves used for remuneration of capital	(5,123,466)	(4,091,179)

1 - Withholding tax applied to the interest on own capital attributed to dividends, except for shareholders who are exempted or immune.

**Payment schedule of interest on own capital and dividends:**

2023	Amount	Amount per share (R\$)	Base date of payment	Payment date
<b>1st quarter</b>				
Dividends	351,037	0.123	Jun 01, 2023	Jun 12, 2023
Interest on own capital <sup>1</sup>	1,004,568	0.352	Mar 13, 2023	Mar 31, 2023
Complementary Interest on own capital <sup>1</sup>	1,867,568	0.654	Jun 01, 2023	Jun 12, 2023
<b>2nd quarter</b>				
Dividends	410,149	0.144	Aug 21, 2023	Aug 30, 2023
Interest on own capital <sup>1</sup>	966,378	0.339	Jun 12, 2023	Jun 30, 2023
Complementary Interest on own capital <sup>1</sup>	1,868,239	0.655	Aug 21, 2023	Aug 30, 2023
<b>Total allocated to the shareholders</b>	<b>6,467,939</b>	<b>2.267</b>		
Dividends	761,186	0.267		
Interest on own capital <sup>1</sup>	5,706,753	2.000		

1 - Amounts subject to Withholding Tax, with the exception of shareholders who are exempted or immune.



In thousands of Reais, unless otherwise stated

2022	Amount	Amount per share (R\$)	Base date of payment	Payment date
<b>1st quarter</b>				
Dividends	443,296	0.155	May 23, 2022	May 31, 2022
Interest on own capital <sup>1</sup>	601,008	0.211	Mar 14, 2022	Mar 31, 2022
Complementary Interest on own capital <sup>1</sup>	1,477,370	0.518	May 23, 2022	May 31, 2022
<b>2nd quarter</b>				
Dividends	571,257	0.200	Aug 22, 2022	Aug 31, 2022
Interest on own capital <sup>1</sup>	714,210	0.250	Jun 13, 2022	Jun 30, 2022
Complementary Interest on own capital <sup>1</sup>	1,628,481	0.571	Aug 22, 2022	Aug 31, 2022
<b>Total allocated to the shareholders</b>	<b>5,435,622</b>	<b>1.905</b>		
Dividends	1,014,553	0.355		
Interest on own capital <sup>1</sup>	4,421,069	1.550		

1 - Amounts subject to Withholding Tax, with the exception of shareholders who are exempted or immune.

**g) Reconciliation of net income and shareholders' equity**

	Net income		Shareholders' equity	
	1st half/2023	1st half/2022	June 30, 2023	Dec 31, 2022
<b>Banco do Brasil</b>	<b>16,444,357</b>	<b>14,243,070</b>	<b>157,200,284</b>	<b>153,839,319</b>
Instruments qualifying as common equity tier 1 capital <sup>1</sup>	120,529	132,501	7,100,000	7,100,000
Unrealized gains <sup>2</sup>	(4,017)	(6,050)	(372,260)	(368,243)
Non-controlling interests	--	--	3,752,223	3,457,767
<b>BB Consolidated</b>	<b>16,560,869</b>	<b>14,369,521</b>	<b>167,680,247</b>	<b>164,028,843</b>

1 - The instrument qualifying as CET1 was registered in the liabilities in the Individual Financial Statements and its interest recognized as expenses with securities sold under repurchase agreements. This Instrument was reclassified to Shareholder's Equity in the consolidated financial statements (Notes 2.e and 23.c).

2 - It refers to unrealized results arising from the assignment of credits from the Bank to Ativos S.A.

**h) Accumulated other comprehensive income**

	June 30, 2023	Dec 31, 2022
<b>Banco do Brasil</b>		
Securities available for sale	(1,481,511)	(2,421,726)
Hedge de Investimento no exterior	47,387	9,322
Foreign exchange variation of investments abroad	(5,370,018)	(3,769,512)
Actuarial gains/(losses) on pension plans	(8,074,236)	(1,846,077)
<b>Subsidiaries, associates and joint ventures</b>		
Securities available for sale	(37,476)	(170,063)
Cash flow hedge	(58,515)	46,187
Actuarial gains/(losses) on pension plans	374	374
Change in participation in the capital of associates/subsidiaries	55,477	56,297
Other comprehensive income	65,118	(129,363)
<b>Total</b>	<b>(14,853,400)</b>	<b>(8,224,561)</b>

**i) Noncontrolling interests**

	Net income		Shareholders' equity	
	1st half/2023	1st half/2022	June 30, 2023	Dec 31, 2022
BB Tecnologia e Serviços	9	4	52	42
Fundos de Investimento	11,923	649	178,849	180,246
Banco Patagonia S.A.	397,823	213,877	764,237	785,931
BB Seguridade S.A.	1,255,808	914,475	2,809,085	2,491,548
<b>Non-controlling interest</b>	<b>1,665,563</b>	<b>1,129,005</b>	<b>3,752,223</b>	<b>3,457,767</b>



**j) Shareholdings (number of shares)**

Number of shares issued by the Bank to shareholders which, directly or indirectly, hold more than 5% of the shares:

Shareholders	June 30, 2023		Dec 31, 2022	
	Shares	% Total	Shares	% Total
Federal government - Tesouro Nacional	1,432,708,542	50.0	1,432,708,542	50.0
Caixa de Previdência dos Funcionários do Banco do Brasil - Previ	131,655,514	4.6	131,948,214	4.6
Treasury shares <sup>1</sup>	11,640,980	0.4	11,830,375	0.4
Other shareholders	1,289,411,984	45.0	1,288,929,889	45.0
<b>Total</b>	<b>2,865,417,020</b>	<b>100.0</b>	<b>2,865,417,020</b>	<b>100.0</b>
Resident shareholders	2,113,706,391	73.8	2,198,566,514	76.7
Non resident shareholders	751,710,629	26.2	666,850,506	23.3

1 - It includes, on June 30, 2023, 50,250 shares of the Bank held by BB Asset (49,614 on December 31, 2022).

Number of shares issued by the Bank, held by the Board of Directors, the Executive Board, Fiscal Council and the Audit Committee:

	Ações ON <sup>(1)</sup>	
	June 30, 2023	Dec 31, 2022
Board of Directors (except for Bank's CEO)	1,003	3,988
Executive Committee (it includes the Bank's CEO)	95,600	128,355
Fiscal council	10,839	1,000
Audit Committee	2,027	2,012

1 - The shareholding interest of the Board of Directors, Executive Committee, Fiscal Council and Audit Committee represents approximately 0.004% of the Bank's capital stock.

**k) Movement of shares outstanding/free float**

	June 30, 2023		Dec 31, 2022	
	Total	% Total	Total	% Total
Free float at the beginning of the period	1,420,745,751	49.6	1,420,591,910	49.6
Other changes <sup>1</sup>	225,135		153,841	
Free float at the end of the period <sup>2</sup>	1,420,970,886	49.6	1,420,745,751	49.6
<b>Outstanding shares</b>	<b>2,865,417,020</b>	<b>100.0</b>	<b>2,865,417,020</b>	<b>100.0</b>

1 - It includes changes coming from Technical and Advisory Bodies.

2 - According to the Law 6,404/1976 and the regulation of B3's New Market. The shares held by the Board of Directors and Executive Committee are not included. The shares held by the Caixa de Previdência dos Funcionários do Banco do Brasil - Previ compose the free float shares.

**l) Treasury shares**

The composition of the treasury shares is shown below:

	Banco do Brasil				Consolidated			
	June 30, 2023		Dec 31, 2022		June 30, 2023		Dec 31, 2022	
	Shares	% Total	Shares	% Total	Shares	% Total	Shares	% Total
<b>Treasury shares</b>	<b>11,590,730</b>	<b>100.0</b>	<b>11,780,761</b>	<b>100.0</b>	<b>11,640,980</b>	<b>100.0</b>	<b>11,830,375</b>	<b>100.0</b>
Received in order to comply with operations secured by the FGCN - Fundo de Garantia para a Construção Naval	8,075,350	69.7	8,075,350	68.6	8,075,350	69.4	8,075,350	68.3
Repurchase Programs (2012 and 2015)	3,145,476	27.1	3,348,867	28.4	3,145,476	27.0	3,348,867	28.3
Share-based payment	369,841	3.2	356,481	3.0	420,091	3.6	406,095	3.4
Mergers	63	--	63	--	63	--	63	--
<b>Book value</b>	<b>(266,471)</b>		<b>(270,840)</b>		<b>(268,255)</b>		<b>(272,570)</b>	



## **m) Share-based payment**

### **The Program of Variable Remuneration**

The program of variable remuneration was based on the CMN Resolution 3,921 of November 25, 2010, which governs compensation policies for executives of financial institution.

The program has a yearly basis period. It is established according to the risks and the activity overseen by the executive and has as pre requirements: the activation of the Participation in Profit or Results Program and the achievement of accounting profit by the Bank.

The calculation of variable remuneration is based on indicators that measure the achievement of corporate and individual goals, based on the Corporate Strategy of Banco do Brasil - ECBB for the period. The program also determines that 50% of the remuneration should be paid in cash and the remaining 50% should be paid in shares.

The number of Banco do Brasil shares to be allocated to each participant is calculated by dividing the net amount equivalent to 50% of variable remuneration to which one is entitled, to the average price of the share in the week prior to the payment. The average price is the simple arithmetic mean of the daily average prices of the week prior to the payment. At the time of calculation of deferred installments, if fractions occur, they are accumulated in the first installment to be made available.

The distribution of compensation in shares occurs in a way that 20% is immediately transferred for the beneficiary's ownership and 80% is deferred.

The effects of the Program of Variable Remuneration on the income of Banco do Brasil were R\$ 12,915 thousand in the 1st half/2023 (R\$ 10,938 thousand in the 1st half/2022).

BB Asset, in accordance to the resolution mentioned above, also adopted variable remuneration policy for its directors, directly acquiring treasury shares of the Banco do Brasil. All shares acquired are BBAS3 and its fair value is the quoted market price on the date of grant.



We present the statement of acquired shares, its distribution and its transfer schedule:

	Total Program Shares	Average Cost	Shares Distributed	Shares to Distribute <sup>1</sup>	Estimated Schedule Transfers
<b>2019 Program</b>					
Banco do Brasil	162,641	46.05	122,752	32,509	Mar 2024
<b>Total shares to be distributed</b>				<b>32,509</b>	
<b>BB Asset</b>					
BB Asset	15,998	46.07	12,801	3,197	Mar 2024
<b>Total shares to be distributed</b>				<b>3,197</b>	
<b>2020 Program</b>					
Banco do Brasil	164,146	29.65	96,381	32,809	Mar 2024
				32,809	Mar 2025
<b>Total shares to be distributed</b>				<b>65,618</b>	
<b>BB Asset</b>					
BB Asset	29,585	29.65	17,757	5,914	Mar 2024
				5,914	Mar 2025
<b>Total shares to be distributed</b>				<b>11,828</b>	
<b>2021 Program</b>					
Banco do Brasil	193,027	33.52	77,272	38,585	Mar 2024
				38,585	Mar 2025
				38,585	Mar 2026
<b>Total shares to be distributed</b>				<b>115,755</b>	
<b>BB Asset</b>					
BB Asset	28,302	33.52	11,325	5,659	Mar 2024
				5,659	Mar 2025
				5,659	Mar 2026
<b>Total shares to be distributed</b>				<b>16,997</b>	
<b>2022 Program</b>					
Banco do Brasil	176,642	39.16	35,398	35,311	Mar 2024
				35,311	Mar 2025
				35,311	Mar 2026
				35,311	Mar 2027
<b>Total shares to be distributed</b>				<b>141,244</b>	
<b>BB Asset</b>					
BB Asset	22,824	39.16	4,576	4,562	Mar 2024
				4,562	Mar 2025
				4,562	Mar 2026
				4,562	Mar 2027
<b>Total shares to be distributed</b>				<b>18,248</b>	

1 - Any difference between the total number of shares to be distributed and the transfer schedule results from specific cases of shares pending transfer/reversal.



In thousands of Reais, unless otherwise stated

**24 – Service fee income**

	Banco do Brasil		Consolidated	
	1st half/2023	1st half/2022	1st half/2023	1st half/2022
Fund management	2,470,180	2,471,553	4,091,321	4,089,195
Account fee	3,200,593	3,033,276	3,201,289	3,033,900
Commissions on insurance, pension plans and capitalization	187,046	184,001	2,587,487	2,321,168
Card income	1,038,069	979,746	1,291,762	1,144,515
Loans and guarantees provided	1,188,813	1,045,159	1,189,259	1,044,241
Consortium management fees	--	--	1,178,919	893,412
Billing	696,208	715,442	729,519	751,387
Collection	522,773	532,866	507,016	510,567
National Treasury and official funds management	169,813	180,580	169,813	180,580
Capital market income <sup>1</sup>	73,574	70,780	164,389	213,003
Interbank	77,316	74,264	77,316	74,264
Other	734,436	636,827	1,229,539	1,115,499
<b>Total</b>	<b>10,358,821</b>	<b>9,924,494</b>	<b>16,417,629</b>	<b>15,371,731</b>

1 - Includes the amount of R\$ 30,190 thousand in the 1st half/2023 related to the collection of contributions and federal tax (R\$ 25,490 thousand in the 1st half/2022).



In thousands of Reais, unless otherwise stated

## 25 – Personnel expenses

	Banco do Brasil		Consolidated	
	1st half/2023	1st half/2022	1st half/2023	1st half/2022
Wages and salaries	(5,130,801)	(4,797,899)	(5,959,290)	(5,417,217)
Benefits	(1,739,356)	(1,584,805)	(1,830,602)	(1,665,580)
Social charges	(1,630,946)	(1,539,298)	(1,795,359)	(1,685,809)
Personnel administrative provisions	(1,320,610)	(1,291,673)	(1,327,039)	(1,297,240)
Pension plans	(436,739)	(404,575)	(444,493)	(410,573)
Director's and officer's remuneration	(21,287)	(18,562)	(30,369)	(26,587)
Training	(18,130)	(28,405)	(22,035)	(30,576)
<b>Total</b>	<b>(10,297,869)</b>	<b>(9,665,217)</b>	<b>(11,409,187)</b>	<b>(10,533,582)</b>



In thousands of Reais, unless otherwise stated

**26 – Other administrative expenses**

	Banco do Brasil		Consolidated	
	1st half/2023	1st half/2022	1st half/2023	1st half/2022
Amortization	(1,163,497)	(572,611)	(1,169,426)	(578,724)
Depreciation	(770,041)	(698,274)	(795,394)	(723,539)
Rent	(691,767)	(650,718)	(722,688)	(690,200)
Security services	(641,921)	(582,732)	(660,492)	(599,093)
Expenses with outsourced services	(530,464)	(529,938)	(592,042)	(598,881)
Data processing	(746,426)	(505,209)	(444,631)	(328,016)
Financial system services	(340,159)	(439,380)	(390,291)	(491,234)
Maintenance and upkeep	(584,286)	(511,391)	(385,907)	(364,570)
Transport	(289,501)	(275,994)	(319,160)	(302,474)
Programa de Desempenho Gratificado - PDG	(292,972)	(279,039)	(292,972)	(279,039)
Communications	(230,744)	(204,797)	(260,600)	(228,648)
Water, electricity and gas	(238,671)	(274,570)	(245,830)	(281,908)
Specialized technical services	(171,297)	(124,319)	(230,207)	(171,703)
Advertising and marketing	(203,048)	(212,430)	(214,235)	(221,015)
Promotion and public relations	(97,211)	(76,022)	(109,070)	(81,763)
Domestic travel	(35,524)	(21,088)	(49,706)	(30,743)
Materials	(9,053)	(16,746)	(17,833)	(21,835)
Other	(320,021)	(327,092)	(358,127)	(347,817)
<b>Total</b>	<b>(7,356,603)</b>	<b>(6,302,350)</b>	<b>(7,258,611)</b>	<b>(6,341,202)</b>

**27 – Other income/expenses****a) Other operating income**

	Banco do Brasil		Consolidated	
	1st half/2023	1st half/2022	1st half/2023	1st half/2022
Defined benefit plan income	1,794,318	1,124,649	1,794,318	1,124,649
Update of deposits in guarantee	1,340,202	1,500,761	1,359,809	1,500,762
Recovery of charges and expenses	1,067,681	978,678	792,389	733,545
Surplus allocation update - Previ Plan 1 (Note 29.f)	570,660	862,963	570,660	862,963
Cards transactions	197,355	115,891	223,394	167,053
Clube de Benefícios BB	192,351	198,925	192,351	198,925
From non-financial subsidiaries	--	--	157,511	53,746
Adjustment of recoverable tax	117,994	103,153	117,994	103,153
Reversal of provisions - administrative and personnel expenses	64,122	78,535	64,122	78,535
Reversal of provisions - other	13,749	11,799	48,976	84,065
Receivables income	30,201	99,086	30,201	99,085
Convictions, costs and court settlements income	14,437	19,898	14,437	19,898
Dividends received	191,347	68,447	766	937
Other	211,622	159,182	310,453	238,341
<b>Total</b>	<b>5,806,039</b>	<b>5,321,967</b>	<b>5,677,381</b>	<b>5,265,657</b>

**b) Other operating expenses**

	Banco do Brasil		Consolidated	
	1st half/2023	1st half/2022	1st half/2023	1st half/2022
Cards transactions	(1,082,326)	(1,015,014)	(1,180,083)	(1,089,264)
Discounts granted on renegotiations	(660,296)	(590,567)	(660,296)	(590,567)
Business relationship bonus	(633,013)	(906,768)	(633,013)	(906,768)
Expenses with outsourced services	(636,527)	(550,412)	(632,615)	(529,678)
Actuarial liabilities update	(631,858)	(594,323)	(631,858)	(594,323)
From non-financial subsidiaries	--	--	(477,080)	(321,707)
INSS - Social Security	(248,167)	(233,767)	(248,167)	(233,767)
ATM Network	(203,557)	(209,280)	(203,557)	(209,280)
Life insurance premium - consumer credit	(176,434)	(120,915)	(176,434)	(120,915)
Compensation for transactions of banking correspondents	(152,620)	(159,020)	(152,620)	(159,020)
Failures/frauds and other losses	(127,111)	(119,012)	(135,762)	(125,472)
Other expenses - operational provisions	(1,631)	(448)	(10,455)	(21,142)
Other	(1,282,773)	(877,573)	(1,246,958)	(915,633)
<b>Total</b>	<b>(5,836,313)</b>	<b>(5,377,099)</b>	<b>(6,388,898)</b>	<b>(5,817,536)</b>



## 28 – Related party transactions

### a) Bank's key management personnel

Salaries and other benefits paid the Bank's key management personnel (Executive Board and Board of Directors) are as follows:

	1st half/2023	1st half/2022
<b>Short-term benefits</b>	<b>24,023</b>	<b>23,947</b>
Fees and social security contributions	14,018	15,023
Executive Committee	13,877	14,988
Board of Directors	141	35
Variable remuneration (cash) and social charges	6,979	7,307
Other <sup>1</sup>	3,026	1,617
<b>Termination benefits</b>	<b>2,057</b>	<b>52</b>
<b>Share-based payment benefits</b>	<b>8,595</b>	<b>7,523</b>
<b>Total</b>	<b>34,675</b>	<b>31,522</b>

1 – It includes compensation for the members of the Audit Committee and Risks and Capital Committee that are part of the Board of Directors, as well as employer contributions to pension plan and complementary healthy plan, housing assistance, removal benefits, group insurance, among others.

The Bank's variable compensation policy (developed in accordance with CMN Resolution 3,921/2010) requires variable compensation for the Executive Directors to be paid partially in shares (Note 23.m).

The Bank does not offer post-employment benefits to its key management personnel, except for those who are part of the staff of the Bank.

### b) Details of related party transactions

The Bank has the policy of related party transactions approved by the Board of Directors and disclosed to the market. The policy aims to establish rules to assure that all decisions, especially those involving related party and other situations potentially conflicted, are made observing the interests of the Bank and its shareholders. It is applicable to all staff and directors of the company.

The policy forbids related party transactions under conditions other than those of the market or that may adversely affect the Bank's interest. Therefore, the transactions are conducted under normal market conditions. The terms and conditions reflect comparable transactions with unrelated parties (including interest rates and collateral requirements). These transactions do not involve unusual payment risks, as disclosed in other notes.

The transactions between the consolidated companies are eliminated in the consolidated financial statements.

The main transactions carried out by the Bank with related parties are:

- intercompany transactions, such as: interbank deposits, securities, loans, interest bearing and non-interest bearing deposits, securities sold under repurchase agreements, borrowings and onlendings, guarantees given and others;
- receivables from the National Treasury for interest rate equalization under Federal Government programs (Law 8,427/1992). Interest rate equalization represents an economic subsidy for rural credit, which provides borrowers with discounted interest rates compared to the Bank's normal funding costs (including administrative and tax expenses). The equalization payment is updated by the Selic rate in accordance with the National Treasury's budgeting process (as defined by law) and is designed to preserve the Bank's earnings;
- Previ uses the Bank's internal systems for voting, selective processes and access to common internal standards, which generates cost savings for both parties involved;





- d) Related parties loan physical space to the Bank free of charge with the Bank, using the spaces mainly for the installation of self-service terminals, banking service offices and branches. These free of charge loans with related parties do not represent significant value, because the most of them are carried out with third parties;
- e) provision of business support services for controlled and sponsored entities for which the Bank is reimbursed for its costs with employees, technology and materials. Sharing of structure aims to gain efficiency for the Conglomerate. In the 1st half/2023, the Bank was reimbursed a total of R\$ 449,834 thousand (R\$ 446,732 thousand in the 1st half/2022), related to the structure sharing and a total of R\$ 170,312 thousand (R\$ 191,715 thousand in the 1st half/2022) in the Consolidated. Additional information regarding the assignment of employees can be obtained in Note 32.d - Assignment of employees to outside agencies;
- f) contracts in which the Bank rents property owned by the entities sponsored to carry out its activities;
- g) acquisition of portfolio of loans transferred by Banco Votorantim;
- h) assignment of credits arising from loans written off as losses to Ativos S.A.;
- i) hiring specialized services from BB Tecnologia S.A (BBTS) for specialized technical assistance, digitization and copy of documents, telemarketing, extrajudicial collection, support and backing for financial and non-financial business processes, monitoring, supervision and execution of activities inherent to equipment and environments, software development, support and testing, data center support and operation, management of cell phone electronic messages, outsourcing and monitoring of physical security systems and telephony outsourcing;
- j) amounts receivable arising from the honors requested by the Bank to the Guarantee Funds (in which the Federal Government holds participation), according to the terms and conditions established by the regulation of each guarantee program. The Guarantee Funds are public or private nature instruments intended to guarantee projects and credit operations, aiming to, among others, enable structured enterprises of the Federal Government and support the inclusion of individuals and companies in the credit market; and
- k) Guarantees received and given and other coobligations, including contract of opening of a revolving interbank credit line with Banco Votorantim.

The Bank and Caixa Econômica Federal (CEF) signed a credit opening agreement for real estate loans, in the amount up to R\$ 1,650,000 thousand, in 2023 (up to R\$ 1,176,794 thousand in 2022).

The balances arising from the transactions above mentioned are disclosed in the "Summary of related party transactions" segregated by nature and category of related parties.

Some transactions are disclosed in other notes: the resources applied in federal government securities are listed in Note 10; informations about the government funds are related in Notes 19 and 20; and additional information about the Bank's contributions and other transactions with sponsored entities are listed in Note 29.

Fundação Banco do Brasil (FBB) promotes, encourages and sponsors actions in the areas of education, culture, health, social welfare, recreation and sports, science, technology and community development. In the 1st half/2023, the Bank's contributions to FBB totaled R\$ 82,595 thousand (R\$ 79,620 thousand in the 1st half/2022).

**c) Acquisition of portfolio of loans transferred by Banco Votorantim**

	1st half/2023	1st half/2022
Assignment with substantial retention of risks and rewards (with co-obligation)	6,154,581	--

**d) Summary of related party transactions**

We present the related party transactions segregated into the following categories:

- Controller:** Union (National Treasury and agencies of the direct administration of the Federal Government);
- Subsidiaries:** Companies are listed in Note 2.e;
- Associates and joint ventures:** Mainly refer to Banco Votorantim, Cielo, BB Mapfre Participações, Brasilprev, Brasilcap, Alelo, Cateno and Tecban;
- Key management personnel:** Board of Directors and Executive Board; and
- Other related parties:** State-owned companies and public companies controlled by the Federal Government, such as: Petrobras, CEF and BNDES. Government funds such as: Fundo de Amparo ao Trabalhador – FAT, Fundo de Aval para Geração de Emprego e Renda – Funproger. In addition, entities linked to employees and sponsored entities: Cassi, Previ and others.

Banco do Brasil	Controller	Subsidiaries	Associates and joint ventures	Key management personnel	Other related parties	June 30, 2023
<b>Assets</b>	<b>2,427,803</b>	<b>65,809,814</b>	<b>12,274,060</b>	<b>5,712</b>	<b>6,632,658</b>	<b>87,150,047</b>
Interbank investments	--	62,560,564	453,949	--	3,127,172	<b>66,141,685</b>
Securities	--	189,660	171,307	--	614,990	<b>975,957</b>
Loan portfolio <sup>1</sup>	--	368,442	10,583,102	5,712	2,591,175	<b>13,548,431</b>
Other assets <sup>2</sup>	2,427,803	2,691,148	1,065,702	--	299,321	<b>6,483,974</b>
<b>Liabilities</b>	<b>12,809,681</b>	<b>81,081,852</b>	<b>12,548,111</b>	<b>20,693</b>	<b>58,039,900</b>	<b>164,500,237</b>
Customers resources	4,028,097	945,763	524,106	1,802	12,869,974	<b>18,369,742</b>
Financial institutions resources	170,929	74,607,546	190,082	--	43,904,576	<b>118,873,133</b>
Other liabilities <sup>3</sup>	8,610,655	5,528,543	11,833,923	18,891	1,265,350	<b>27,257,362</b>
Guarantees given and other coobligations	328,318	1,186,685	5,001,540	96	30,973	<b>6,547,612</b>
<b>Statement of Income</b>						<b>1st half/2023</b>
Income from financial intermediation	2,782,740	2,946,462	705,647	361	239,536	<b>6,674,746</b>
Expenses from financial intermediation	(219,027)	(3,503,213)	(22,649)	(1,102)	(2,099,979)	<b>(5,845,970)</b>
Service fee income	62,299	22,225	279,664	--	355,820	<b>720,008</b>
Other income	18,293	470,161	285,747	--	11,109	<b>785,310</b>
Other expenses	(486,296)	(931,002)	(393,750)	--	(284,757)	<b>(2,095,805)</b>

1 - The Bank constituted the amount of R\$ 52 thousand as allowance for losses associated with credit risk on related parties' loan portfolio. The constitution of expense for allowance was R\$ 13 thousand in the 1st half/2023.

2 - The transactions with the Controller refer mainly to interest rate equalization – agricultural crop and receivables – National Treasury.

3 - Mainly include derivate financial instruments and financial bills. Mainly include derivate financial instruments and financial bills. The associates and joint ventures' balance mainly refers to amounts payable to Cielo relating to transactions carried out with credit and debit cards issued by the Bank to be transferred by the Cielo to the accredited establishments.



In thousands of Reais, unless otherwise stated

Banco do Brasil	Controller	Subsidiaries	Associates and joint ventures	Key management personnel	Other related parties	Dec 31, 2022
<b>Assets</b>	<b>2,580,362</b>	<b>71,768,915</b>	<b>9,110,806</b>	<b>6,147</b>	<b>6,287,333</b>	<b>89,753,563</b>
Interbank investments	--	70,550,424	998,676	--	2,901,626	74,450,726
Securities	--	282,719	185,472	--	497,293	965,484
Loan portfolio <sup>1</sup>	--	454,894	7,412,659	6,147	2,587,860	10,461,560
Other assets <sup>2</sup>	2,580,362	480,878	513,999	--	300,554	3,875,793
<b>Liabilities</b>	<b>11,734,916</b>	<b>90,627,464</b>	<b>14,257,944</b>	<b>25,875</b>	<b>57,931,685</b>	<b>174,577,884</b>
Customers resources	2,739,273	1,216,992	570,117	1,741	11,074,351	15,602,474
Financial institutions resources	132,828	84,718,800	100,043	--	45,689,386	130,641,057
Other liabilities <sup>3</sup>	8,862,815	4,691,672	13,587,784	24,134	1,167,948	28,334,353
Guarantees received	--	--	20	--	--	20
Guarantees given and other coobligations	344,592	1,262,053	5,004,909	--	33,985	6,645,539
<b>Statement of Income</b>	<b>1st half/2022</b>					
Income from financial intermediation	2,724,410	2,216,243	305,298	399	260,778	5,507,128
Expenses from financial intermediation	(195,252)	(2,636,370)	(22,646)	(814)	(1,958,655)	(4,813,737)
Service fee income	78,299	30,958	269,440	--	353,388	732,085
Other income	81,430	322,603	321,148	--	8,860	734,041
Other expenses	(466,591)	(659,320)	(621,402)	--	(413,245)	(2,160,558)

1 - The Bank constituted the amount of R\$ 39 thousand as allowance for losses associated with credit risk on related parties' loan portfolio. The constitution of expense for allowance was R\$ 7 thousand in the 1st half/2022.

2 - The transactions with the Controller refer mainly to interest rate equalization – agricultural crop and receivables – National Treasury.

3 - Mainly include derivate financial instruments and financial bills. Mainly include derivate financial instruments and financial bills. The associates and joint ventures' balance mainly refers to amounts payable to Cielo relating to transactions carried out with credit and debit cards issued by the Bank to be transferred by the Cielo to the accredited establishments.

Consolidated	Controller	Associates and joint ventures	Key management personnel	Other related parties	June 30, 2023
<b>Assets</b>	<b>2,427,803</b>	<b>15,970,114</b>	<b>5,712</b>	<b>6,647,771</b>	<b>25,051,400</b>
Interbank investments	--	453,949	--	3,127,172	3,581,121
Securities	--	3,673,495	--	624,022	4,297,517
Loan portfolio <sup>1</sup>	--	10,583,102	5,712	2,591,175	13,179,989
Other assets <sup>2</sup>	2,427,803	1,259,568	--	305,402	3,992,773
<b>Liabilities</b>	<b>5,716,104</b>	<b>16,452,892</b>	<b>20,693</b>	<b>58,039,900</b>	<b>80,229,589</b>
Customers resources	4,034,519	524,106	1,802	12,869,974	17,430,401
Financial institutions resources	170,929	190,082	--	43,904,576	44,265,587
Other liabilities <sup>3</sup>	1,510,656	15,738,704	18,891	1,265,350	18,533,601
Guarantees given and other coobligations	328,318	5,001,540	96	30,973	5,360,927
<b>Statement of Income</b>	<b>1st half/2023</b>				
Income from financial intermediation	2,782,740	944,324	361	240,527	3,967,952
Expenses from financial intermediation	(98,498)	(22,649)	(1,102)	(2,099,979)	(2,222,228)
Service fee income	65,325	3,007,454	39	375,730	3,448,548
Other income	18,293	410,079	--	11,109	439,481
Other expenses	(486,296)	(398,040)	--	(285,123)	(1,169,459)

1 - The Bank constituted the amount of R\$ 52 thousand as allowance for losses associated with credit risk on related parties' loan portfolio. The constitution of expense for allowance was R\$ 13 thousand in the 1st half/2023.

2 - The transactions with the Controller refer mainly to interest rate equalization – agricultural crop and receivables – National Treasury.

3 - Mainly include derivate financial instruments and financial bills. Mainly include derivate financial instruments and financial bills. The associates and joint ventures' balance mainly refers to amounts payable to Cielo relating to transactions carried out with credit and debit cards issued by the Bank to be transferred by the Cielo to the accredited establishments.



In thousands of Reais, unless otherwise stated

Consolidated	Controller	Associates and joint ventures	Key management personnel	Other related parties	Dec 31, 2022
<b>Assets</b>	<b>2,580,362</b>	<b>12,902,253</b>	<b>6,147</b>	<b>6,299,651</b>	<b>21,788,413</b>
Interbank investments	--	998,676	--	2,901,626	<b>3,900,302</b>
Securities	--	3,694,921	--	498,019	<b>4,192,940</b>
Loan portfolio <sup>1</sup>	--	7,412,659	6,147	2,587,860	<b>10,006,666</b>
Other assets <sup>2</sup>	2,580,362	795,997	--	312,146	<b>3,688,505</b>
<b>Liabilities</b>	<b>4,642,909</b>	<b>17,773,448</b>	<b>25,875</b>	<b>57,931,685</b>	<b>80,373,917</b>
Customers resources	2,747,266	570,117	1,741	11,074,351	<b>14,393,475</b>
Financial institutions resources	132,828	100,043	--	45,689,386	<b>45,922,257</b>
Other liabilities <sup>3</sup>	1,762,815	17,103,288	24,134	1,167,948	<b>20,058,185</b>
Guarantees received	--	20	--	--	<b>20</b>
Guarantees given and other coobligations	344,592	5,004,909	--	33,985	<b>5,383,486</b>
<b>Statement of Income</b>			<b>1st half/2022</b>		
Income from financial intermediation	2,724,410	500,967	399	264,053	<b>3,489,829</b>
Expenses from financial intermediation	(62,751)	(22,646)	(814)	(1,958,655)	<b>(2,044,866)</b>
Service fee income	85,044	2,757,911	4	365,441	<b>3,208,400</b>
Other income	81,430	454,961	--	8,860	<b>545,251</b>
Other expenses	(466,591)	(649,205)	--	(413,841)	<b>(1,529,637)</b>

1 - The Bank constituted the amount of R\$ 39 thousand as allowance for losses associated with credit risk on related parties' loan portfolio. The constitution of expense for allowance was R\$ 7 thousand in the 1st half/2022.

2 - The transactions with the Controller refer mainly to interest rate equalization – agricultural crop and receivables – National Treasury.

3 - Mainly include derivate financial instruments and financial bills. Mainly include derivate financial instruments and financial bills. The associates and joint ventures' balance mainly refers to amounts payable to Cielo relating to transactions carried out with credit and debit cards issued by the Bank to be transferred by the Cielo to the accredited establishments.



## 29 – Employee benefits

Banco do Brasil sponsors the following pension and health insurance plans for its employees, that ensure the complementation of retirement benefits and medical assistance:

	Plans	Benefits	Classification
Previ - Caixa de Previdência dos Funcionários do Banco do Brasil	Previ Futuro	Retirement and Pension	Defined contribution
	Plano de Benefícios 1	Retirement and Pension	Defined benefit
	Plano Informal	Retirement and Pension	Defined benefit
Cassi - Caixa de Assistência dos Funcionários do Banco do Brasil	Plano de Associados	Health Care	Defined benefit
Economus – Instituto de Seguridade Social	Prevmais	Retirement and Pension	Variable contribution
	Regulamento Geral	Retirement and Pension	Defined benefit
	Regulamento Complementar 1	Retirement and Pension	Defined benefit
	Grupo B'	Retirement and Pension	Defined benefit
	Plano Unificado de Saúde - PLUS	Health Care	Defined benefit
	Plano Unificado de Saúde - PLUS II	Health Care	Defined benefit
	Plano de Assistência Médica Complementar - PAMC	Health Care	Defined benefit
Fusesc - Fundação Codesc de Seguridade Social	Multifuturo I	Retirement and Pension	Variable contribution
	Plano de Benefícios I	Retirement and Pension	Defined benefit
SIM - Caixa de Assistência dos Empregados dos Sistemas Besc e Codesc, do Badesc e da Fusesc	Plano de Saúde	Health Care	Defined contribution
Prevbep - Caixa de Previdência Social	Plano BEP	Retirement and Pension	Defined benefit

### Number of participants covered by benefit plans sponsored by the Bank

	June 30, 2023			Dec 31, 2022		
	Number of participants			Number of participants		
	Actives	Retired/users	Total	Actives	Retired/users	Total
<b>Retirement and pension plans</b>	<b>86,593</b>	<b>122,515</b>	<b>209,108</b>	<b>87,342</b>	<b>123,024</b>	<b>210,366</b>
Plano de Benefícios 1 - Previ	3,288	100,241	103,529	3,500	100,458	103,958
Plano Previ Futuro	72,971	3,879	76,850	73,413	3,680	77,093
Plano Informal	--	1,976	1,976	--	2,045	2,045
Other plans	10,334	16,419	26,753	10,429	16,841	27,270
<b>Health care plans</b>	<b>88,177</b>	<b>106,797</b>	<b>194,974</b>	<b>89,007</b>	<b>107,329</b>	<b>196,336</b>
Cassi	79,465	101,241	180,706	80,236	101,619	181,855
Other plans	8,712	5,556	14,268	8,771	5,710	14,481



In thousands of Reais, unless otherwise stated

**Bank's contributions to benefit plans**

	1st half/2023	1st half/2022
<b>Retirement and pension plans</b>	<b>960,497</b>	<b>904,772</b>
Plano de Benefícios 1 - Previ <sup>1</sup>	306,420	296,066
Plano Previ Futuro	455,825	409,292
Plano Informal	64,554	68,628
Other plans	133,698	130,786
<b>Health care plans</b>	<b>1,011,378</b>	<b>953,823</b>
Cassi	902,105	857,455
Other plans	109,273	96,368
<b>Total</b>	<b>1,971,875</b>	<b>1,858,595</b>

1 - Refers to the contributions relating to participants subject to Agreement 97 and Plan 1, whereby these contributions occur by the realization of Fundo Paridade until 2018 and Fundo de Utilização (Note 29.f). Agreement 97 aims to regulate the funding required to constitute a portion equivalent to 53.7% of guaranteed amount relating to the supplementary pension due to the participants who joined the Bank up to April 14, 1967 and who have retired or will retire after the aforementioned date, except for those participants who are part of the Plano Informal.

The Bank's contributions to defined benefit plans (post-employment) were estimated at R\$ 1,097,561 thousand for the next 6 months and R\$ 2,051,864 thousand for the next 12 months.

**Values recognized in income**

	1st half/2023	1st half/2022
<b>Retirement and pension plans</b>	<b>1,193,357</b>	<b>565,189</b>
Plano de Benefícios 1 - Previ	1,757,217	1,084,602
Plano Previ Futuro	(455,825)	(409,292)
Plano Informal	(54,137)	(46,872)
Other plans	(53,898)	(63,249)
<b>Health care plans</b>	<b>(1,126,673)</b>	<b>(1,042,995)</b>
Cassi	(1,021,568)	(949,938)
Other plans	(105,105)	(93,057)
<b>Total</b>	<b>66,684</b>	<b>(477,806)</b>



Detailed information regarding defined benefit plans is provided in Note 29.d.4.

## **a) Retirement and pension plans**

### **Previ Futuro (Previ)**

Participants in this plan include Bank employees hired after December 24, 1997. Depending on time of service and salary, active participants may contribute between 7% and 17% of their salary (retired participants do not contribute). The plan sponsor matches participants' contributions up to 14% of their salaries.

### **Plano de Benefícios 1 (Previ)**

Participants in this plan include Bank employees hired prior to December 23, 1997. Active and retired participants may contribute between 1.8% and 7.8% of their salary or pension.

### **Plano Informal (Previ)**

Banco do Brasil is fully responsible for this plan. The Bank's contractual obligations include to:

- (i) providing retirement benefits to the initial group of participants and pension payments to the beneficiaries of participants who died prior to April 14, 1967;
- (ii) paying additional retirement benefits to plan participants who retired prior to April 14, 1967, or had the right to retire based on time of service and at least 20 years of service with the Bank; and
- (iii) increasing retirement and pension benefits due to judicial and administrative decisions related to changes in the Bank's career, salary and incentive plans (in excess of the plan's original benefits).

### **Prevmais (Economus)**

Participants in this plan include employees of Banco Nossa Caixa (a bank acquired by Banco do Brasil on November 30, 2009) who enrolled after August 01, 2006, or were part of the Regulamento Geral benefit plan and opted to receive their vested account balances. The sponsor and participants make equal contributions, which may not exceed 8% of participants' salaries. The plan provides additional risk coverage, including supplemental health, work-related accident, disability and death benefits.

### **Regulamento Geral (Economus)**

Participants in this plan include employees of Banco Nossa Caixa who enrolled prior to July 31, 2006. This plan is closed to new members. The sponsor and participants contribute equally.

### **Regulamento Complementar 1 (Economus)**

Participants in this plan include employees of Banco Nossa Caixa. This plan offers supplemental health benefits and annuities upon death or disability. The sponsor, participants and retired/other beneficiaries fund the plan.

### **Grupo B' (Economus)**

Group of employees and retirees of Banco Nossa Caixa admitted between January 22, 1974, and May 13, 1974, and their beneficiaries.

### **Multifuturo I (Fusesc)**

Participants in this plan include employees of the State Bank of Santa Catarina – Besc (acquired by Banco do Brasil on September 30, 2008) who enrolled after January 12, 2003, or were part of the Plano de Benefícios I (Fusesc) and chose to participate in this plan. Participants may contribute from 2% to 7% of their salaries. The plan sponsor matches these contributions.

### **Plano de Benefícios I (Fusesc)**

Participants in this plan include employees of Besc who enrolled prior to January 11, 2003. This plan is closed to new members. The sponsor and participants contribute equally.

### **Plano BEP (Prevbep)**

Participants in this plan include employees of the State Bank of Piauí – BEP (acquired by Banco do Brasil on November 30, 2008). The sponsor and participants contribute equally.



## **b) Health care plans**

### **Plano de Associados (Cassi)**

The Bank sponsors a health care plan managed by Cassi. The plan covers health care services related to prevention, protection, recovery and rehabilitation for participants and their beneficiaries. Each month, the Bank contributes 4.5% of participants' salaries or pension benefits, in addition to 3% per dependent of active employee (up to three dependents).

Monthly contributions by participants and pensioners total 4% of their salary or pension, copayments for certain hospital procedures, in addition to the contribution per dependent, following the rules provided for in the Cassi Statute and in the plan's regulations.

### **Plano Unificado de Saúde - PLUS (Economus)**

Participants in this plan include employees from Banco Nossa Caixa, who enrolled prior to December 12, 2000. Participation in this plan requires a direct payroll deduction of 1.5%, providing coverage for employees and certain preferred dependents. An additional 10% copayment is required for each medical visit and low-cost exam performed by employees and their dependents (both preferred and non-preferred).

### **Plano Unificado de Saúde - PLUS II (Economus)**

Participants in this plan include employees from Banco Nossa Caixa, who enrolled after January 01, 2001. Participation in this plan requires a direct payroll deduction of 1.5%, providing coverage for employees and certain preferred dependents. An additional 10% copayment is required for each medical visit and low-cost exam performed by employees and their dependents and adult children. This plan does not cover non-preferred dependents.

### **Plano de Assistência Médica Complementar - PAMC (Economus)**

Participants in this plan include employees of Banco Nossa Caixa located in the state of São Paulo. The plan serves disabled employees under the Complementar and Regulamento Geral and their dependents. Participant costs vary based on usage and in accordance with a progressive salary table.

### **Plano de Saúde (SIM)**

Participants in this plan include employees of Besc and other sponsors of the plan (including Badesc, Bescor, Fuscsc and SIM). The monthly contribution of the active beneficiaries is variable according to the beneficiary's age, owed by themselves and their dependents, and the contribution's sponsors, in relation to the active beneficiaries and their respective dependents, is also variable according to its age group. The plan also provides copayment in medical appointments, exams and home care, following the rules set out in the plan's regulations.

## **c) Risk factors**

The Bank may be required to make extraordinary contributions to sponsored entities, which may adversely affect the Bank's operating income and shareholders' equity.

In one hand, from an asset point of view, actuarial risk is associated with the possibility of losses resulting from fluctuation (decrease) in the fair value of plan assets. On the other hand, from the point of view of actuarial liabilities, the risk is associated with the possibility of losses arising from the fluctuation (increase) in the present value of the actuarial obligations of the plans of the Defined Benefit category.

Determination of the Bank's obligations to these entities is based on long-term actuarial and financial estimates and the application and interpretation of current regulatory standards. Inaccuracies inherent to the estimation process could result in differences between recorded amounts and the actual obligations in the future. This could have a negative impact on the Bank's operating results.





In thousands of Reais, unless otherwise stated

**d) Actuarial valuations**

Actuarial evaluations are performed every six months. The information contained in the below tables refers to the calculations on June 30, 2023 and on Dec 31, 2022.

**d.1) Changes in present value of defined benefit actuarial obligations**

	Plano 1 - Previ		Plano Informal - Previ		Plano de Associados - Cassi		Other plans	
	1st half/2023	2022	1st half/2023	2022	1st half/2023	2022	1st half/2023	2022
<b>Opening balance</b>	<b>(140,726,703)</b>	<b>(152,404,722)</b>	<b>(752,171)</b>	<b>(846,025)</b>	<b>(8,808,892)</b>	<b>(9,212,441)</b>	<b>(8,352,609)</b>	<b>(8,975,214)</b>
Interest cost	(8,185,893)	(15,969,282)	(42,088)	(84,665)	(515,600)	(989,853)	(489,213)	(948,961)
Current service cost	(21,673)	(68,644)	--	--	(40,724)	(79,866)	(1,625)	(4,578)
Past service cost	--	--	(12,050)	(19,492)	--	--	--	--
Benefits paid using plan assets	8,069,291	15,311,473	64,554	140,986	436,861	884,995	418,957	865,173
Remeasurements of actuarial gain/(losses)	(24,393,388)	12,404,472	(72,096)	57,025	(1,579,664)	588,273	(1,194,991)	710,971
Experience adjustment	(2,106,121)	(4,970,461)	5,446	(7,543)	(230,561)	(335,656)	49,155	(268,829)
Changes to biometric/demographic assumptions	--	--	--	--	--	--	--	17,932
Changes to financial assumptions	(22,287,267)	17,374,933	(77,542)	64,568	(1,349,103)	923,929	(1,244,146)	961,868
<b>Closing balance</b>	<b>(165,258,366)</b>	<b>(140,726,703)</b>	<b>(813,851)</b>	<b>(752,171)</b>	<b>(10,508,019)</b>	<b>(8,808,892)</b>	<b>(9,619,481)</b>	<b>(8,352,609)</b>
Present value of actuarial liabilities with surplus	(165,258,366)	(140,726,703)	--	--	--	--	(8,031,781)	(7,476,638)
Present value of actuarial liabilities without surplus	--	--	(813,851)	(752,171)	(10,508,019)	(8,808,892)	(1,587,700)	(875,971)



In thousands of Reais, unless otherwise stated

**d.2) Changes in fair value of plan assets**

	Plano 1 - Previ		Plano Informal - Previ		Plano de Associados - Cassi		Other plans <sup>1</sup>	
	1st half/2023	2022	1st half/2023	2022	1st half/2023	2022	1st half/2023	2022
<b>Opening balance</b>	<b>197,539,033</b>	<b>192,870,833</b>	--	--	--	--	<b>7,476,638</b>	<b>7,590,710</b>
Interest income	11,722,000	21,777,783	--	--	--	--	448,935	873,990
Contributions received	612,840	1,276,540	64,554	140,986	436,861	884,995	218,573	459,151
Participants	306,420	638,270	--	--	--	--	84,280	173,101
Sponsor	306,420	638,270	64,554	140,986	436,861	884,995	134,293	286,050
Benefits paid using plan assets	(8,069,291)	(15,311,473)	(64,554)	(140,986)	(436,861)	(884,995)	(418,957)	(865,173)
Actuarial gain/(loss) on plan assets	5,048,610	(3,074,650)	--	--	--	--	306,592	(582,040)
<b>Closing balance</b>	<b>206,853,192</b>	<b>197,539,033</b>	--	--	--	--	<b>8,031,781</b>	<b>7,476,638</b>

1 - Refers to the following plans: Regulamento Geral (Economus), Prevmias (Economus), Regulamento Complementar 1 (Economus), Multifuturo 1 (Fusesc), Plano 1 (Fusesc) and Plano BEP (Prevbep).



In thousands of Reais, unless otherwise stated

**d.3) Amounts recognized in the balance sheet**

	Plano 1 - Previ		Plano Informal - Previ		Plano de Associados - Cassi		Other plans	
	June 30, 2023	Dec 31, 2022	June 30, 2023	Dec 31, 2022	June 30, 2023	Dec 31, 2022	June 30, 2023	Dec 31, 2022
1) Fair value of the plan assets	206,853,192	197,539,033	--	--	--	--	8,031,781	7,476,638
2) Present value of actuarial liabilities	(165,258,366)	(140,726,703)	(813,851)	(752,171)	(10,508,019)	(8,808,892)	(9,619,481)	(8,352,609)
3) Superávit/(déficit) (1+2)	41,594,826	56,812,330	(813,851)	(752,171)	(10,508,019)	(8,808,892)	(1,587,700)	(875,971)
<b>4) Net actuarial asset/(liability) <sup>1</sup></b>	<b>20,797,413</b>	<b>28,406,165</b>	<b>(813,851)</b>	<b>(752,171)</b>	<b>(10,508,019)</b>	<b>(8,808,892)</b>	<b>(1,277,752)</b>	<b>(910,551)</b>

1 - Refers to the portion of the surplus/(deficit) due from the sponsor.



In thousands of Reais, unless otherwise stated

**d.4) Changes in fair value of plan assets**

	Plano 1 - Previ		Plano Informal - Previ		Plano de Associados - Cassi		Other plans	
	1st half/2023	1st half/2022	1st half/2023	1st half/2022	1st half/2023	1st half/2022	1st half/2023	1st half/2022
Current service cost	(10,836)	(20,942)	--	--	(40,724)	(41,196)	(813)	(1,325)
Interest cost	(4,092,947)	(3,894,104)	(42,088)	(40,947)	(515,600)	(475,575)	(271,660)	(257,021)
Expected yield on plan assets	5,861,000	4,999,648	--	--	--	--	223,755	198,325
Unrecognized past service cost	--	--	(12,049)	(5,925)	--	--	--	--
Expense with active employees	--	--	--	--	(465,244)	(433,167)	(111,919)	(97,869)
Outros ajustes/reversão	--	--	--	--	--	--	1,634	1,584
<b>(Expense)/income recognized in the statement of income</b>	<b>1,757,217</b>	<b>1,084,602</b>	<b>(54,137)</b>	<b>(46,872)</b>	<b>(1,021,568)</b>	<b>(949,938)</b>	<b>(159,003)</b>	<b>(156,306)</b>

**d.5) Amounts recognized in the shareholders' equity**

	Plano 1 - Previ		Plano Informal - Previ		Plano de Associados - Cassi		Other plans	
	June 30, 2023	Dec 31, 2022	June 30, 2023	Dec 31, 2022	June 30, 2023	Dec 31, 2022	June 30, 2023	Dec 31, 2022
<b>Opening balance</b>	<b>(789,156)</b>	<b>(3,235,552)</b>	<b>(105,295)</b>	<b>(136,659)</b>	<b>(638,989)</b>	<b>(962,540)</b>	<b>(312,637)</b>	<b>(364,321)</b>
Accumulated other comprehensive income	(9,672,389)	4,664,911	(72,097)	57,026	(1,579,665)	588,273	(452,774)	94,999
Tax effects	4,599,946	(2,218,515)	32,444	(25,662)	710,849	(264,722)	205,527	(43,315)
<b>Closing balance</b>	<b>(5,861,599)</b>	<b>(789,156)</b>	<b>(144,948)</b>	<b>(105,295)</b>	<b>(1,507,805)</b>	<b>(638,989)</b>	<b>(559,884)</b>	<b>(312,637)</b>



In thousands of Reais, unless otherwise stated

**d.6) Maturity profile of defined benefit actuarial obligations**

	Duration <sup>1</sup>	Expected benefit payments <sup>2</sup>				
		Up to 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
Plano 1 (Previ)	7.92	16,462,924	15,698,886	15,496,412	319,286,743	366,944,965
Plano Informal (Previ)	5.25	134,551	119,405	107,273	955,098	1,316,327
Plano de Associados (Cassi)	8.84	1,006,357	993,301	976,987	26,961,955	29,938,600
Regulamento Geral (Economus)	7.89	672,265	697,598	694,108	13,974,683	16,038,654
Regulamento Complementar 1 (Economus)	9.89	3,543	3,682	3,874	138,922	150,021
Plus I e II (Economus)	10.83	41,893	43,191	44,890	2,296,501	2,426,475
Grupo B' (Economus)	6.95	24,991	23,832	23,507	363,480	435,810
Prevmais (Economus)	9.10	27,868	27,986	28,144	819,379	903,377
Multifuturo I (Fusesc)	8.28	8,813	8,476	8,459	195,445	221,193
Plano I (Fusesc)	6.71	54,796	51,876	50,664	731,532	888,868
Plano BEP (Prevbep)	8.22	7,815	7,779	7,729	169,753	193,076

1 - Weighted average duration, in years, of the defined benefit actuarial obligation.

2 - Amounts considered without discounting at present value.

**d.7) Composition of the plan assets**

	Plano 1 - Previ		Other plans	
	June 30, 2023	Dec 31, 2022	June 30, 2023	Dec 31, 2022
Fixed income	125,435,776	115,877,631	7,201,500	6,582,918
Equity securities and similar instruments <sup>1</sup>	62,407,608	64,138,045	305,010	389,605
Real estate investments	11,625,149	10,765,877	229,292	221,068
Loans and financing	5,626,407	5,215,030	159,547	151,513
Other	1,758,252	1,542,450	136,432	131,534
<b>Total</b>	<b>206,853,192</b>	<b>197,539,033</b>	<b>8,031,781</b>	<b>7,476,638</b>
Amounts listed in fair value of plan assets				
In the entity's own financial instruments	8,625,778	6,894,112	33,983	43,050
In properties or other assets used by the entity	1,344,546	1,264,250	34,568	31,239

1 - It includes, in Plano 1 – Previ, the amount of R\$ 4,647,603 thousand (R\$ 6,432,248 thousand on Dec 31, 2022), related to the assets that are not quoted in active markets.



In thousands of Reais, unless otherwise stated

**d.8) Main actuarial assumptions adopted**

	Plano 1 – Previ		Plano Informal – Previ		Plano de Associados – Cassi		Other plans	
	June 30, 2023	Dec 31, 2022	June 30, 2023	Dec 31, 2022	June 30, 2023	Dec 31, 2022	June 30, 2023	Dec 31, 2022
Inflation rate (p.a.)	3.60%	3.45%	3.64%	3.58%	3.60%	3.42%	3.60%	3.45%
Real discount rate (p.a.)	7.16%	8.94%	6.95%	8.79%	7.24%	8.98%	7.14%	8.94%
Nominal rate of return on investments (p.a.)	11.02%	12.70%	--	--	--	--	11.00%	12.69%
Real rate of expected salary growth (p.a.)	0.67%	0.67%	--	--	--	--	0.91%	0.91%
Actuarial life table	BR-EMSsb-2015		BR-EMSsb-2015		BR-EMSsb-2015		AT-2000 / AT-2012 / AT-83 / RP 2000	
Capitalization method	Projected credit unit		Projected credit unit		Projected credit unit		Projected credit unit	

In order to determine the values for the defined benefit plans, the Bank uses methods and assumptions different from those submitted by the entities sponsored.

CPC 33 (R1) prescribes the accounting, as well as the effects that occurred or that will occur in the entities that sponsor employee benefits plans. However, the sponsored entities themselves must comply with the rules issued by the Ministério da Previdência Social, through the Conselho Nacional de Previdência Complementar (CNPc) and the Superintendência Nacional de Previdência Complementar (Previc). The most significant differences are in the definition of the assumptions used in Plano 1 – Previ.



#### d.9) Differences in assumptions of the Plano 1 – Previ

	Bank	Previ
Real discount rate (p.a.)	7.16%	4.75%
Evaluation of assets		
Federal government bonds	Fair value	Amortized Cost
Equity stakes	Fair value	Adjusted Value <sup>1</sup>
Capitalization method	Projected credit unit	Aggregate method

1 - In the valuation methodology for its investment in Litel, uses as reference the closing price of vale's share, the Litel group's main asset, on the penultimate day of each month.

#### d.10) Reconciliation of amounts calculated in Plan 1 - Previ/Bank

	Plan assets		Actuarial liabilities		Effect in surplus/(deficit)	
	June 30, 2023	Dec 31, 2022	June 30, 2023	Dec 31, 2022	June 30, 2023	Dec 31, 2022
<b>Value determined - Previ</b>	<b>211,920,727</b>	<b>210,312,946</b>	<b>(208,559,115)</b>	<b>(205,701,047)</b>	<b>3,361,612</b>	<b>4,611,899</b>
Adjustment in the value of plan assets <sup>1</sup>	(5,067,535)	(12,773,913)	--	--	(5,067,535)	(12,773,913)
Adjustment in the liabilities - discount rate/capitalization method	--	--	43,300,749	64,974,344	43,300,749	64,974,344
<b>Value determined - Bank</b>	<b>206,853,192</b>	<b>197,539,033</b>	<b>(165,258,366)</b>	<b>(140,726,703)</b>	<b>41,594,826</b>	<b>56,812,330</b>

1 - Refers mainly to adjustments made by the Bank in determining the fair value of the investments in Litel and in securities held to maturity.

#### d.11) Sensitivity analysis

The sensitivity analysis is performed for changes in a single assumption while maintaining all others constant. This is unlikely in reality, since some of the assumptions are correlated.

The same methodology was used to perform the sensitivity analysis in each of the periods presented. However, the discount rate was updated to reflect market conditions.

The table below presents the sensitivity analysis of the most relevant actuarial assumptions, showing the increase/(decrease) in defined benefit obligations, with variations reasonably possible for June 30, 2023.

	Discount rate		Life expectancy		Salary increase	
	+0,25%	-0.25%	+1 age	-1 age	+0,25%	-0.25%
Plano 1 (Previ)	(3,338,384)	3,470,421	2,715,395	(2,768,263)	8,749	(8,718)
Plano Informal (Previ)	(10,786)	11,100	23,817	(23,581)	--	--
Plano de Associados (Cassi)	(197,203)	205,265	138,959	(140,770)	721	(705)
Regulamento Geral (Economus)	(150,566)	156,252	125,129	(128,904)	--	--
Regulamento Complementar 1 (Economus)	(1,548)	1,611	(1,918)	1,965	--	--
Plus I e II (Economus)	(18,953)	19,941	21,692	(21,120)	--	--
Grupo B' (Economus)	(4,237)	4,380	5,157	(5,328)	--	--
Prevmais (Economus)	(8,417)	8,777	2,090	(2,067)	1,162	(1,144)
Multifuturo I (Fusesc)	(2,703)	2,888	1,104	(1,135)	621	(568)
Plano I (Fusesc)	(8,021)	8,282	9,979	(10,117)	--	--
Plano BEP (Prevbep)	(1,825)	1,899	1,207	(1,251)	--	--



In thousands of Reais, unless otherwise stated

**e) Overview of actuarial asset/(liability) recorded by the Bank**

	Actuarial assets		Actuarial liabilities	
	June 30, 2023	Dec 31, 2022	June 30, 2023	Dec 31, 2022
Plano 1 (Previ)	20,797,413	28,406,165	--	--
Plano Informal (Previ)	--	--	(813,851)	(752,171)
Plano de Associados (Cassi)	--	--	(10,508,019)	(8,808,892)
Regulamento Geral (Economus)	--	--	(748,004)	(565,077)
Regulamento Complementar 1 (Economus)	7,766	9,576	--	--
Plus I e II (Economus)	--	--	(676,908)	(563,390)
Grupo B' (Economus)	--	--	(232,235)	(206,165)
Prevmias (Economus)	133,902	147,230	--	--
Multifuturo I (Fusesc)	117,954	119,869	--	--
Plano I (Fusesc)	94,908	115,868	--	--
Plano BEP (Prevbep)	24,865	31,538	--	--
<b>Total</b>	<b>21,176,808</b>	<b>28,830,246</b>	<b>(12,979,017)</b>	<b>(10,895,695)</b>

**f) Allocations of the Surplus - Plano 1**

	1st half/2023	1st half/2022
<b>Fundo de Utilização<sup>1</sup></b>		
<b>Opening balance</b>	<b>11,315,371</b>	<b>10,795,343</b>
Contributions to Plano 1	(306,420)	(296,066)
Restatement	570,660	862,963
<b>Closing balance</b>	<b>11,579,611</b>	<b>11,362,240</b>

1 - Contains resources transferred from the Fundo de Destinação (because of the plan's surplus). The Bank can use for repayments or to reduce future contributions (after first meeting all applicable legal requirements). The fund is recalculated based on the actuarial target (INPC + 4.75% p.a.).





### 30 – Risk and capital management

#### a) Risk management process

For Banco do Brasil, risk management is one of the most important elements of the decision-making process.

The institution has a process to identify the risks that comprise the corporate set of relevant risks, performed by analyzing the business segments, direct and indirectly, considering Banco do Brasil related entities.

Risk definition is carried out considering quantitative and qualitative criteria, and results in the following relevant risks:

- a) Strategic risk;
- b) Social, environmental and climate risk;
- c) Credit risk;
- d) Actuarial risk;
- e) *Banking book* interest rate risk;
- f) Market risk;
- g) Liquidity risk;
- h) Contagion risk;
- i) Operational risk; and
- j) Reputational risk.

The Bank periodically reviews the Corporate Set of Relevant Risks. As a result of the improvement in the process of identifying relevant risks, there was a change in the concept and inclusion of a category in the contagion risk, in order to specify its form of materialization; review of the name from Supplier Risk to Third Party Risk; consolidation of Socio-environmental and Climate Risks, which came to be known as Social, Environmental and Climate Risk; and review of the way in which the Operational Risk is presented, which now includes the management categories of Third Party, Legal, Compliance, Security, Model, Conduct, Cybernetic and IT Risks.

In the Bank, the collegiate risk management is parted from the business units and internal auditors. Risk management policies are approved by the Board of Directors, with the opinion of the Advisory Committees. Risk management is performed in accordance with the Bank's Senior Management policies and strategies.

To learn more about the risk and capital management process in Banco do Brasil, visit the information available in the Risk Management Report and in the Recovery Plan at the website [bb.com.br/ir](http://bb.com.br/ir).

#### Financial instruments - fair value

Financial instruments recorded in balance sheet accounts, compared to fair value:

	June 30, 2023		Dec 31, 2022		Unrealized gain/(loss) without tax effects			
	Book value	Fair value	Book value	Fair value	On income		On shareholders' equity	
					June 30, 2023	Dec 31, 2022	June 30, 2023	Dec 31, 2022
<b>Assets</b>								
Cash and due from banks	22,541,168	22,541,168	18,310,546	18,310,546	--	--	--	--
Compulsory deposits with Bacen	97,135,227	97,135,227	95,119,085	95,119,085	--	--	--	--
Interbank investments	432,512,501	432,509,804	415,873,438	415,810,825	(2,697)	(62,613)	(2,697)	(62,613)
Securities	441,532,787	441,350,933	428,447,097	427,873,052	(1,703,739)	(3,592,373)	(181,854)	(574,045)
Adjustment of securities available for sale (Note 10.a)					(1,521,885)	(3,018,328)	--	--
Adjustment of securities held to maturity (Note 10.a)					(181,854)	(574,045)	(181,854)	(574,045)
Derivative financial instruments	4,879,095	4,879,095	1,638,069	1,638,069	--	--	--	--
Loan portfolio	921,558,247	909,079,407	891,283,323	866,903,805	(12,478,840)	(24,379,518)	(12,478,840)	(24,379,518)
Other financial assets	100,803,627	100,803,627	93,072,415	93,072,415	--	--	--	--
<b>Liabilities</b>								
Customers resources	768,530,726	767,648,150	753,263,047	753,309,420	882,576	(46,373)	882,576	(46,373)
Financial institutions resources	662,304,759	662,837,544	652,922,721	654,686,121	(532,785)	(1,763,400)	(532,785)	(1,763,400)
Securities resources	262,012,557	262,012,557	229,745,964	229,745,964	--	--	--	--
Derivative financial instruments	5,110,148	5,110,148	3,045,463	3,045,463	--	--	--	--
Other financial liabilities	150,256,018	150,256,018	143,049,849	143,049,849	--	--	--	--
<b>Unrealized gain/(loss) without tax effects</b>					<b>(13,835,485)</b>	<b>(29,844,277)</b>	<b>(12,313,600)</b>	<b>(26,825,949)</b>



### **Determination of fair value of financial instruments**

Short-term interbank investments: The fair value was obtained by discounting future cash flows, using interest rates traded by the market in similar operations on the balance sheet date.

Securities: accounted by fair value, according to Bacen Circular 3,068/2001, except for securities held to maturity. The fair value of the securities, including those held to maturity, was obtained from rates practiced in the market.

Loan operations: For the operations of this group, remunerated at post-fixed rates, the fair value of the book value itself was considered, due to the equivalence between them. The operations remunerated at prepaid interest rates were estimated by discounting future cash flows, adopting market interest rates to contract similar operations at the balance sheet date.

Interbank deposits: The fair value was calculated by the discount of the future cash flows using rates currently applicable in the market for fixed rate deposits. For post-fixed operations whose maturities were less than 30 days, the book value was deemed approximately equivalent to the fair value.

Time deposits: The same criteria adopted for interbank deposits are utilized in the determination of the fair value.

Liabilities related to repurchase agreement: For operations at fixed rates, the fair value was determined calculating the discount of the estimated cash flows adopting a discount rate equivalent to the rates applied in contracting similar operations on the last trading day. For post-fixed operations, book values have been deemed approximately equivalent to fair value.

Borrowings and onlendings: Such operations are exclusive to the Bank with no similar operations in the market. Given their specific characteristics, the exclusive rates for each fund, the inexistence of an active market or similar traded instruments, the fair values of such operations are considered equivalent to the book value.

Other liabilities: Fair values have been determined by the discounted cash flow method, which takes into account interest rates offered in the market for obligations with similar maturities, risks and terms.

Derivatives financial instruments: Derivatives were booked at fair value, according to Bacen Circular No. 3,082/2002. The fair value of derivatives was estimated in accordance with internal pricing models, using the interest rates disclosed for transactions with similar terms and indices on the last business day of the period.

Other financial instruments: Included or not in the balance sheet, fair value is approximately equivalent to the corresponding book value.

### **Source of information regarding assets and liabilities measured at fair value in the balance sheet**

The Bank's fair value measurements consider the following input levels:

Level 1 – Price quotations are derived from active markets for identical financial instruments. Financial instruments are considered to be quoted in an active market if prices are readily available and are based on regularly occurring arm's length transactions.

Level 2 – Requires the use of information obtained from the market that is not Level 1. This includes prices quoted in non-active markets for similar assets and liabilities and information that can be corroborated in the market.

Level 3 – Requires the use of information not obtained from the market to measure fair value. When there is not an active market for an instrument, the Bank uses valuation techniques that incorporate internal data. The Bank's methodologies are consistent with commonly used techniques for pricing financial instruments.



In thousands of Reais, unless otherwise stated

**Assets and liabilities measured at fair value in the consolidated balance sheet**

	Jun 30, 2023	Level 1	Level 2	Level 3
<b>Assets</b>	<b>395,719,215</b>	<b>325,826,959</b>	<b>67,129,301</b>	<b>2,762,955</b>
Hedge interbank deposit	2,371,696	--	2,371,696	--
Trading securities, measured by fair value	11,624,753	6,972,405	4,629,790	22,558
Derivative financial instruments	4,879,095	--	4,879,095	--
Available-for-sale securities, measured by fair value	376,794,677	318,854,554	55,248,720	2,691,403
Loans	48,994	--	--	48,994
<b>Liabilities</b>	<b>(7,149,070)</b>	<b>--</b>	<b>(7,149,070)</b>	<b>--</b>
Hedge funding	(2,038,922)	--	(2,038,922)	--
Derivative financial instruments	(5,110,148)	--	(5,110,148)	--

	Dec 31, 2022	Level 1	Level 2	Level 3
<b>Assets</b>	<b>384,458,400</b>	<b>321,957,089</b>	<b>59,737,711</b>	<b>2,763,600</b>
Hedge interbank deposit	2,563,590	--	2,563,590	--
Trading securities, measured by fair value	10,330,260	2,550,400	7,676,720	103,140
Derivative financial instruments	1,638,069	--	1,638,069	--
Available-for-sale securities, measured by fair value	369,880,437	319,406,689	47,859,332	2,614,416
Loans	46,044	--	--	46,044
<b>Liabilities</b>	<b>(4,862,444)</b>	<b>--</b>	<b>(4,862,444)</b>	<b>--</b>
Hedge funding	(1,816,981)	--	(1,816,981)	--
Derivative financial instruments	(3,045,463)	--	(3,045,463)	--



## Sensitivity analysis

### Analysis method and objective

The Bank conducts a quarterly sensitivity analysis of exposure to the interest rate risk of its owned positions, using as a method the application of parallel shocks on the market yield curves relating to the most relevant risk factors. The method is intended to simulate the impacts on the Bank's income vis-à-vis potential scenarios, which consider possible fluctuations in the market interest rates.

### Method assumptions and limitations

The application of parallel shocks on the market yield curves assumes that uptrends or downtrends in the interest rates occur in an identical way, both for short terms and for longer terms. As market movements do not usually present such behavior, this method can present deviations from actual results.

### Scope, method application scenarios and implications for income

The sensitivity analysis process is carried out considering the following scope:

- (i) operations classified in the trading portfolio, basically composed of trading government bonds and derivative financial instruments, have positive or negative effects as a result from the possible movements of interest rates in the market. These changes generate a direct impact on the Bank's results or shareholders' equity; and
- (ii) operations classified in the banking portfolio, mainly composed of operations contracted with the intention of being held until their maturities – loans to customers, funding in the retail market and held to maturity securities - and which are accounted for at rates based on the contractual rates. The positive or negative effects resulting from changes in the interest rates in the market do not directly affect the Bank's income.

The following scenarios are considered for the performance of the sensitivity analysis:

Scenario I: 100 basis points (+/- 1%) changes, considering the worst loss by risk factor.

Scenario II: +25% and -25% changes, considering the worst loss by risk factor.

Scenario III: +50% and -50% changes, considering the worst loss by risk factor.

### Results of the sensitivity analysis

Results obtained for the sensitivity analysis of the trading portfolio and for the set of operations included in the trading and banking portfolios are presented in the following tables charts:



In thousands of Reals, unless otherwise stated

**Sensitivity analysis for trading portfolio**

Risk factors / Exposures	Jun 30, 2023			Dec 31, 2022		
	Scenarios I	Scenarios II	Scenarios III	Scenarios I	Scenarios II	Scenarios III
Pre fixed rate	(2,072)	(2,786)	(1,724)	(4)	(16)	(50)
Interest rate coupons	(16,518)	(210)	(421)	(2.321)	(455)	(910)
Price index coupons	(231,777)	(292,506)	(559,629)	(418.639)	(604.520)	(1.134.951)
Foreign currency coupons	(10,399)	(12,324)	(24,306)	(13.819)	(15.175)	(29.809)
<b>Total</b>	<b>(260,766)</b>	<b>(307,826)</b>	<b>(586,080)</b>	<b>(434.783)</b>	<b>(620.166)</b>	<b>(1.165.720)</b>

**Sensitivity analysis for the set of operations recorded in the trading and banking portfolios**

Risk factors / Exposures	Jun 30, 2023			Dec 31, 2022		
	Scenarios I	Scenarios II	Scenarios III	Scenarios I	Scenarios II	Scenarios III
Pre fixed rate	(11,735,984)	(28,825,326)	(55,146,542)	(8,159,424)	(25,235,622)	(47,994,780)
Interest rate coupons	(10,261,664)	(21,493,468)	(46,101,820)	(6,412,350)	(22,980,508)	(49,931,838)
Price index coupons	(368,550)	(444,558)	(859,960)	(545,442)	(719,616)	(1,364,325)
Foreign currency coupons	(2,664,736)	(892,579)	(1,843,086)	(2,909,671)	(679,352)	(1,385,770)
<b>Total</b>	<b>(25,030,934)</b>	<b>(51,655,931)</b>	<b>(103,951,408)</b>	<b>(18,026,887)</b>	<b>(49,615,098)</b>	<b>(100,676,713)</b>



## **b) Capital management**

### Objectives and policies

In 2017, Bacen issued CMN Resolution 4,557, which defines the scope and requirements of the risk management structure and the capital management structure for financial institutions.

In compliance with the Resolution, the Board of Directors has established Coris and has appointed as the Chief Risk Officer (CRO), responsible for risk and capital management, the Vice President of Internal Controls and Risk Management.

Capital management aims to ensure the Institution's future solvency concurrent with the implementation of business strategies.

Capital management is carried out through an organizational structure appropriate to the nature of its operations, the complexity of its business and the extent of exposure to relevant risks.

There are defined and documented capital management strategies that establish mechanisms and procedures to keep capital compatible with the Risk Appetite and Tolerance Statement (RAS).

In addition, the Bank has specific policies, approved by the Board, which aim to guide the development of functions or behaviors, through strategic drivers that guide capital management actions. These specific policies apply to all businesses that involve risk and capital at the Bank.

### Elements comprised by capital management:

Strategic plans, business goals and budgets respect the risk appetite and tolerance and indicators of capital adequacy and risk-adjusted return.

The Capital Plan is prepared in consistency with the business strategy, seeking to maintain capital indicators at appropriate levels. This Plan highlights the capital planning of Banco do Brasil and the prospective assessment of any need for capital contribution.

The Capital Plan preparation is referenced in the guidelines and limits contained in RAS and the Bank's Corporate Budget (BB Budget), considering that this represents the materialization of the guidelines of ECBB, the Master Plan (PD), the Fixed Investment Plan and the Strategic Information Technology Plan.

The budgeted amounts must correspond to the goals and objectives defined by the Board of Directors for the Banco do Brasil Conglomerate. Thus, premises such as business growth, credit growth in operations with higher profitability, restrictions on operations in segments with lower profitability, among others, are contained in the BB Budget.

In addition, the BB Budget considers the macroeconomic scenario prepared by the Global Treasury Unit (Tesou) and the legislation applied to the Brazilian Banking Industry (SFN).

The review of the ECBB and the PD results from the application of a set of strategic planning methodologies, observing the best market practices. It is noteworthy that the review of the ECBB and the PD takes place in an integrated manner with the budgeting process, with the RAS and with the other documents of the strategic architecture, which ensures the alignment between such documents, giving greater internal consistency to the strategic planning process.

The BB Budget follows the guidelines defined in the ECBB, respects the RAS and aims to meet the floors and ceilings defined in the indicators approved in the PD. The BB Budget allows the quantification in financial values of the strategic objectives defined in the ECBB.

The RAS is the strategic document that guides the planning of the business strategy, directing budget and capital towards a sustainable and optimized allocation, according to the Institution's capacity to assume risks and its strategic objectives, in addition to promoting understanding and dissemination of the risk culture.

This statement is applied to the Bank and considers potential impacts on the capital of the Banco do Brasil Prudential Conglomerate. It is expected that the Subsidiaries, Affiliates and Investment companies (ELBB) define their drivers based on these guidelines considering specific needs and legal and regulatory aspects to which they are subject.



As defined in the RAS, risk appetite is the maximum level of risk that the Institution accepts to incur in order to achieve its objectives, materialized by indicators that define an aggregate view of risk exposure. Tolerance, in turn, induces risk management in a more granular way, considering the defined appetite.

RAS defines prudential minimum limits that aim to perpetuate the strategy of strengthening the Bank's capital structure. These limits are established above the regulatory minimum, represent the Bank's Risk Appetite and are effective as of January of each year.

The capital target is the level of capital desired by the Bank, which is why its management actions must be guided by this driver. The goals are distinguished from tolerance and risk appetite because the latter defines the level at which the Institution does not accept to operate, and must take timely measures for readjustment, which may trigger contingency measures.

**Integration:**

Adopting a prospective stance, the Bank assesses the capital status, including the leverage ratio, classified as Critical, Alert or Surveillance, according to the time horizon that precedes the projected deadline for the breach of the prudential minimum limits defined by Senior Management and detailed in the RAS, as the figure below:

Capital and Leverage Ratio		Period of noncompliance (months)					
		0 a 6	7 a 12	13 a 18	19 a 24	25 a 30	acima de 31
Target <sup>1</sup>	ICP	ALERT			SURVEILLANCE		
Appetite <sup>2</sup>	Common Equity Tier 1 Ratio	CRITICAL			ALERT		SURVEILLANCE
	Tier 1 Ratio	CRITICAL		ALERT		SURVEILLANCE	
	Basel Prudential Ratio	CRITICAL	ALERT		SURVEILLANCE		
	Leverage Prudential Ratio	CRITICAL		ALERT		SURVEILLANCE	

<sup>1</sup> level of capital desired by the institution

<sup>2</sup> maximum level of risk that institution agrees to incur in order to achieve its goals

The Capital Forum has the responsibility of identify the capital and leverage ratio status of the Bank and occurs through the control of Common Equity Tier 1 Capital Ratio (ICP), Tier I Ratio, Capital Adequacy Ratio and Leverage Ratio projected for a time horizon of at least 36 months. When the projections indicate a potential breach of the prudential minimum limits (risk appetite), the Institution will have enough time to promote strategic changes that avoid extrapolation, according to the deadlines defined for each indicator.

The assessment of the sufficiency of capital maintained by the Bank contemplates a 3-year time horizon and considers: i) the types of risks and respective levels to which the Institution is exposed and willing to assume; ii) the Institution's ability to manage risks effectively and prudently; iii) the Institution's strategic objectives; and iv) the conditions of competitiveness and the regulatory environment in which it operates.

In compliance with the provisions of Bacen Circular 3,846/2017, this analysis is also part of the Internal Capital Adequacy Assessment Process (Icaap) and must cover, at least:

- I - the assessment and measurement of the need for capital to cover credit risks (includes concentration and credit risk of the counterparty), market risk, interest rate variations for instruments classified in the bank portfolio (IRRBB) and operational;
- II - the assessment of the capital needs to cover the other relevant risks to which the Institution is exposed, considering, at least, the strategy, reputation and socio-environmental risks;
- III - the assessment of capital requirements based on the results of the stress test program; and
- IV - the description of the methodologies and assumptions used in the evaluation and measurement of capital requirements.

The Icaap, implemented by the Bank on June 30, 2013, follows the disposed on CMN Resolution 4,557/2017. At the Bank, the responsibility for coordinating Icaap was assigned to the Risk Management Directorship. In turn, the Internal Controls Directorship is the responsible for validating the Icaap. Finally, Internal Audit is responsible for performing an annual evaluation of the overall capital management process.



Procedures:

Capital management is an ongoing process of planning, evaluating, controlling and monitoring capital. It supports the Board in the decision process that will lead the Institution to adopt a posture capable of absorbing eventual losses arising from business risks or changes in the financial environment.

Capital simulations are carried out, integrating the results of risk and business stress tests, based on macroeconomic and/or idiosyncratic scenarios. Stress tests are carried out periodically and their impacts are assessed from the perspective of capital.

It is conducted monthly monitoring of the variables used in the preparation of the Capital Plan due to the review of the behavior projected in the preparation of the BB Budget, based on the observed numbers, market expectations and business dynamics. The relevant deviations are presented and discussed, by the Boards participating in the process, in the monthly meetings of the Capital Forum.

Management reports on capital adequacy are disclosed to the areas and strategic intervening committees, supporting the decision-making process by the Board of Directors.

The adoption of a prospective stance, by conducting continuous assessments of the capital need, makes it possible to proactively identify events with a non-zero probability of occurrence or changes in market conditions that may have an adverse effect on capital adequacy, including in stress scenarios.

**c) Capital Adequacy Ratio**

The Bank has calculated the Capital Adequacy Ratio in accordance with the requirements established by CMN Resolutions 4,955/2021 and 4,958/2021. Those requirements are related to the calculation of Referential Equity (RE) and Minimum Referential Equity Required (MRER) as a percentage of Risk Weighted Assets (RWA).

The Basel Committee recommendations, related to the set of regulations governing the capital structure of financial institutions, are known as Basel III.

The regulatory capital is divided into Tier I and Tier II. Tier I consists of Common Equity Tier I Capital – CET1 (net of regulatory adjustments) and Additional Tier I Capital.

For calculating the regulatory capital, minimum requirements for RE, Tier I and CET1, and Additional CET1 are requested.

Regulatory adjustments listed below are considered for calculating CET1 ratio:

- goodwill;
- intangible assets;
- actuarial assets related to defined benefit pension plans, net of deferred tax liabilities;
- significant investments (greater than 10% of the share capital) in: non-consolidated entities similar to financial institutions, insurance companies, reinsurance companies, capitalization companies and open-ended pension funds; and institutions authorized by Bacen that are not part of the Prudential Conglomerate.
- non-controlling interests;
- deferred tax assets on temporary differences that rely on the generation of future taxable profits or income to be realized;
- deferred tax assets resulting from tax losses carry forward;
- value between the provisioned amount and the amount of the adjustments resulting from the evaluation provided by CMN Resolution 4,277/2013.

On August 28, 2014, Bacen authorized the R\$ 7,100,000 thousand (R\$ 8,100,000 thousand until June/2022) perpetual bond included in Additional Tier I Capital to be considered as Common Equity Tier I Capital, as described in Note 23.c.

According to the CMN Resolutions 4,955/2021 and 4,958/2021, the calculation of the RE and the amount of RWA should be based on Prudential Conglomerate.





In thousands of Reais, unless otherwise stated

	June 30, 2023	Dec 31, 2022
<b>RE - Referential Equity</b>	<b>174,369,617</b>	<b>178,688,546</b>
<b>Tier I</b>	<b>156,767,478</b>	<b>158,152,718</b>
<b>Common Equity Tier 1 Capital (CET1)</b>	<b>135,501,305</b>	<b>128,802,520</b>
Shareholders' equity	157,590,897	153,962,689
Instruments qualifying as common equity tier 1 capital	7,100,000	7,100,000
Regulatory adjustments	(29,189,592)	(32,260,169)
<b>Capital management</b>	<b>21,266,173</b>	<b>29,350,198</b>
Perpetual bonds (Note 19.c)	18,717,773	27,001,598
Perpetual subordinated notes (Note 19.c)	2,548,400	2,348,600
<b>Tier II</b>	<b>17,602,139</b>	<b>20,535,828</b>
Subordinated debt qualifying as capital	17,602,139	20,535,828
Subordinated Debt authorized in accordance with regulations preceding Basel III	17,602,139	20,535,828
Funds obtained from the FCO (Note 19.c) <sup>1</sup>	17,602,139	20,535,828
<b>Risk Weighted Assets (RWA)</b>	<b>1,109,309,844</b>	<b>1,072,894,044</b>
Credit risk (RWACPAD)	943,497,372	917,091,564
Market risk (RWAMPAD)	20,901,975	26,975,097
Operational risk (RWAOPAD)	144,910,497	128,827,383
<b>Minimum referential equity requirements <sup>2</sup></b>	<b>88,744,788</b>	<b>85,831,524</b>
<b>Margin on the minimum referential equity required <sup>3</sup></b>	<b>85,624,829</b>	<b>92,857,022</b>
<b>Tier I Ratio (Tier I/RWA) <sup>3</sup></b>	<b>14.13%</b>	<b>14.74%</b>
Common Equity Tier 1 Capital Ratio (CET1/RWA) <sup>3</sup>	12.21%	12.01%
<b>Capital Adequacy Ratio (RE/RWA) <sup>3</sup></b>	<b>15.72%</b>	<b>16.65%</b>

1 - According to CMN Resolution 4,955/2021, art. 31, in 2023, the balance of FCO is limited to 60% (70% in 2022) of the amount that composed the Tier II of the RE on June 30, 2018.

2 - According to CMN Resolution 4,958/2021, corresponds to the application of the "F" factor to the amount of RWA, where "F" equals 8%.

3 - Values from DLO (Operational Threshold Statement).

### Regulatory adjustments deducted from CET1:

	June 30, 2023	Dec 31, 2022
Actuarial assets related to defined benefit pension funds net of deferred tax liabilities	(11,549,723)	(15,548,609)
Intangible assets	(10,966,643)	(11,066,608)
Tax assets resulting from tax losses carry forward	(3,673,501)	(3,598,043)
Significant investments (excess of 10%) <sup>1</sup>	(1,995,705)	(1,692,539)
Significant investments and tax assets resulting from temporary differences that rely on the generation of future taxable profits or revenues for their realization (amount exceeding the 15% threshold)	(832,113)	(116,376)
Non-controlling interests <sup>2</sup>	(161,468)	(223,666)
Goodwill	(7,162)	(12,360)
Shortfall of the value between the provisioned amount and the amount of the adjustments resulting from the evaluation provided by CMN Resolution 4,277/2013	(3,277)	(1,968)
<b>Total</b>	<b>(29,189,592)</b>	<b>(32,260,169)</b>

1 - It refers, mainly, to significant investments in non-consolidated entities similar to financial institutions, non-consolidated financial institutions and insurance companies, reinsurance companies, capitalization companies and open-ended pension funds.

2 - The adjustment of non-controlling interests was calculated according to CMN Resolution 4,955/2021, 1st paragraph of the article 10.

**d) Fixed asset ratio and margin**

	June 30, 2023	Dec 31, 2022
Fixed asset ratio	17.47%	15.88%
Margin in relation to the fixed asset	56,726,725	60,960,991

Bacen defines the fixed asset ratio as the percentage of fixed assets to Referential Equity. The maximum rate allowed is 50%, according to CMN Resolution 4,957/2021.

Margin refers to the difference between the 50% limit of Referential Equity and total fixed assets.

**e) Regulatory indicators vs. observed indicators**

The minimum regulatory requirement for capital indicators in accordance to CMN Resolution 4,958/2021, as well as the achieved values at the Bank, are shown in the table below:

	Regulatory	June 30, 2023
Common Equity Tier 1 Capital Ratio <sup>1</sup>	8.00%	12.21%
Tier I Ratio <sup>1</sup>	9.50%	14.13%
Capital Adequacy Ratio <sup>1</sup>	11.50%	15.72%
Fixed asset ratio	Up to 50%	17.47%

<sup>1</sup> - Includes additional main conservation, countercyclical and systemic capital

On June 30, 2023, the compliance with the regulatory indicators is observed. The Bank, through the capital management strategies already listed, aims to surpass the minimum regulatory indicators, keeping them at levels capable of perpetuating the strategy of reinforcing the structure of capital of the Bank. In this way, the Bank defines the minimum prudential limits of capital indicators and the main capital target to be reached in each period.

**f) Instruments eligible as capital**

The instruments eligible as capital are described in the Notes 19.c and 23.c.

For subordinated financial bills issued up to the present date, there are the possibilities described in the emission instrument, as listed below:

1. For the perpetual instruments, there is a repurchase or redemption option, observing the following requirements:
  - a. minimum of five years interval between the issue date and the first exercise date of the repurchase or redemption option;
  - b. the exercise of the repurchase or redemption option is subject, on the exercise date, to the authorization of the Central Bank of Brazil;
  - c. lack of characteristics that lead to the expectation that the repurchase or redemption option will be exercised, constituting an attribution of the Issuer;
  - d. the interval between the repurchase or redemption option must be, at least, 180 days.

For securities issued abroad, there is, until now, no possibility for the holder of the security to request repurchase or redemption, total or partial. The expected cash flows will occur when the coupon is paid or when exercising the repurchase by the Bank, as applicable.

The Instrument qualifying as Common Equity Tier I Capital does not have a maturity date and can only be settled in situations of dissolution of the issuing institution or of repurchases authorized by the Central Bank of Brazil. The expected cash flows occur only through the payment of annual remuneration interest.



According to the Information to the Market, dated April 8, 2021 and December 16, 2021, the schedule for returning the Hybrid Instrument established seven annual installments of R\$ 1 billion and one final installment of R\$ 1.1 billion, between July/2022 and July/2029. Thus, in compliance with the schedule and based on authorization from Bacen and deliberation of Secretaria Especial do Tesouro e Orçamento, the Bank returned R\$ 1 billion to the National Treasury on July/2022, remaining the balance of 7.1 billion.

Regarding the dynamics of the FCO, the monthly flows contemplate the inflows/origins, such as the transfers from the National Treasury resulting from the collection of taxes (made every ten days of the month), returns originating from payments of credit operations and remuneration on the available resources and the exits, such as the reimbursement of payment/rebate bonuses, the audit, del credere and provision. The use of FCO resources as an instrument eligible as capital is limited by CMN Resolution 4,955/2021 (Art. 31).



### 31 – Recurring and non-recurring net income

As defined by BCB Resolution 2/2020, non-recurring results are those that are not related or are only incidentally related to the institution's typical activities and are not expected to occur frequently in future years.

	1st half/2023
<b>Recurring net income</b>	<b>16,560,869</b>
<b>Non-recurring net income</b>	<b>--</b>

	1st half/2022
<b>Recurring net income</b>	<b>14,500,211</b>
<b>Non-recurring net income</b>	<b>(130,690)</b>
Provision expenses from lawsuits related to economic plans	(1,050,133)
Disposal of investments - Banco Digio S.A.	337,850
Corporate reorganization - CIP	240,189
Disposal of Investments - MerchantE	83,712
Tax effect and employee and directors profit sharing effect on non-recurring items	257,692

### 32 – Other information

#### a) Investment funds management

Funds managed by BB Asset:

	Numbers of funds/portfolios (in Units)		Balance	
	June 30, 2023	Dec 31, 2022	June 30, 2023	Dec 31, 2022
<b>Managed funds</b>	<b>1,177</b>	<b>1,143</b>	<b>1,479,843,954</b>	<b>1,416,807,121</b>
Investment funds	1,171	1,137	1,462,097,111	1,398,984,878
Managed portfolios	6	6	17,746,843	17,822,243

#### b) Details in relation to overseas branches, subsidiaries and associates

	Banco do Brasil		Consolidated	
	June 30, 2023	Dec 31, 2022	June 30, 2023	Dec 31, 2022
<b>Assets</b>				
BB Group	78,355,441	82,647,271	77,441,194	80,594,853
Third parties	86,459,264	93,042,046	131,009,598	136,472,646
<b>TOTAL ASSETS</b>	<b>164,814,705</b>	<b>175,689,317</b>	<b>208,450,792</b>	<b>217,067,499</b>
<b>Liabilities</b>				
BB Group	40,043,841	40,400,793	39,513,609	39,629,950
Third parties	113,691,668	124,535,644	151,132,319	159,781,772
<b>Shareholders' equity</b>	<b>11,079,196</b>	<b>10,752,880</b>	<b>17,804,864</b>	<b>17,655,777</b>
Attributable to parent company	11,079,196	10,752,880	17,040,627	16,869,846
Non-controlling interest	--	--	764,237	785,931
<b>Total liabilities</b>	<b>164,814,705</b>	<b>175,689,317</b>	<b>208,450,792</b>	<b>217,067,499</b>



In thousands of Reais, unless otherwise stated

	Banco do Brasil		Consolidated	
	1st half/2023	1st half/2022	1st half/2023	1st half/2022
<b>Net income</b>	<b>738,825</b>	<b>234,314</b>	<b>2,862,642</b>	<b>1,255,988</b>
Attributable to parent company	738,825	234,314	2,464,819	1,042,111
Non-controlling interest	--	--	397,823	213,877

**c) Consortium funds**

	June 30, 2023	Dec 31, 2022
Monthly forecast of purchase pool members receivable funds	924,388	851,923
Obligations of the groups due to contributions	57,381,659	49,842,022
Purchase pool members - assets to be delivered	53,657,604	46,722,221
(In units)		
Quantity of groups managed	402	370
Quantity of active consortium members	1,786,853	1,723,698
Quantity of assets deliverable to members (drawn or winning offer)	213,093	176,369

	1st half/2023	1st half/2022
Quantity of assets (in units) delivered in the period	140,291	129,994

**d) Assignment of employees to outside agencies**

Federal government assignments are regulated by Law 10,470/2002 and Decree No. 10,835/2021.

	1st half/2023		1st half/2022	
	Quantity of assigned employees	Cost in the period	Quantity of assigned employees <sup>1</sup>	Cost in the period
<b>With costs for the Bank</b>				
Labor unions	215	25,371	212	23,582
Other organizations/entities	7	3,099	8	2,701
<b>Without cost to the Bank<sup>2</sup></b>				
Federal, state and municipal governments	168	--	177	--
External organizations (Cassi, Previ, Economus, Fusesc and PrevBep)	543	--	481	--
Employee entities	67	--	69	--
Subsidiaries and associates	701	--	621	--
<b>Total</b>	<b>1,701</b>	<b>28,470</b>	<b>1,568</b>	<b>26,283</b>

1 - Balance on the last day of the period.

2 - In the 1st half/2023, the Bank was reimbursed in the amount of R\$ 297,611 thousand (R\$ 271,770 thousand 1st half/2022), referring to the costs of assigned employees.

**e) Remuneration of employees and managers**

Monthly wages paid to employees and Directors of the Banco do Brasil (in Reais):

	June 30, 2023	Dec 31, 2022
Lowest salary	3,622.23	3,622.23
Highest salary	60,606.35	60,606.35
Average salary	10,332.08	9,670.39
Average value of benefits offered	4,577.29	4,223.26
President	74,972.23	68,781.86
Vice-president	67,105.66	61,564.83
Director	56,873.42	52,177.45
Audit Committee - member	51,186.08	46,959.71
Capital and Risk Committee	51,186.08	46,959.71
Fiscal council	6,523.02	5,984.42
Board of Directors	6,523.02	5,984.42

**f) Insurance policy of assets**

Despite the reduced level of risk to which its assets are subject, the Bank insured its assets in amounts rendered enough to hedge any losses.

**Insurance contracted by the Bank in force on June 30, 2023**

Covered risks	Amounts covered	Value of the premium
Property insurance for the relevant fixed assets	654,789	6,610
Life insurance and collective personal accident insurance for the Executive Board <sup>1</sup>	131,950	333
Other	535	--
<b>Total</b>	<b>787,274</b>	<b>6,943</b>

1 - Refers to individual coverage for members of the Executive Board.



### **g) Social Bond Issue**

On January 11, 2022, the Bank informed that, through its Grand Cayman Branch, priced, on January 6, 2022, a sustainable international funding of senior debt, of the social bond type, in the amount of US\$ 500 million, maturing on January 11, 2029, and coupon of 4.875% p.a. The financial settlement took place on January 11, 2022. This is the first social bond issued by the Bank.

The issuance took place within the scope of the Bank's Sustainable Finance Framework, which is in line with international standards and taxonomies, such as the ICMA Social Bond Principles 2021, and best global practices such as the Sustainable Development Goals (SDG) of the UN.

### **h) Russia and Ukraine Conflict**

After a few weeks of intensifying tensions in Eastern Europe, on February 24, 2022, Russian troops advanced into Ukrainian territory. In response to this action, governments of several countries imposed economic sanctions on Russia and some private companies spontaneously announced the discontinuation of their activities in the country and the cessation of operations with companies and the Russian government.

Straight away, the conflict promoted the dislocation of a large part of the Ukrainian population, who took refuge in other areas and part of the country's structure was damaged. Sectors such as oil and agriculture have been affected worldwide given the relevance of Russia in the supply of oil and fertilizers, and of both countries in the production of cereals.

Banco do Brasil and its subsidiaries, in Brazil and abroad, do not have direct exposure to the conflict, as the region is not an area of activity and there are no relevant operations with governments and companies from both countries. Inevitably, the impact of the war on the world economy brings systemic effects to the financial industry in Brazil, which for the moment are not reflected in our Financial Statements. The Bank continues to closely monitor the development of events to mitigate potential financial impacts on its operations.

### **i) Change in tax treatment applicable to losses incurred**

On November 16, 2022, the Provisional Measure 1,128/2022, was converted into Law No. 14,467/2022, promoted changes in the tax treatment applicable to losses incurred in the receipts of credits arising from the activities of financial institutions and other institutions authorized to operate by the Bacen, except consortium administrators and payment institutions.

The Bank is evaluating the possible impacts arising from the standard, which will take effect from January 1st, 2025.



### **33 – Subsequent events**

#### **Instrument qualifying as tier 1 capital installment settlement**

On June 29, 2023, the Brazilian Central Bank authorized the second installment settlement of the instrument qualifying as tier 1 capital described in Note 23 – Shareholders' Equity, item "c".

On July 27, 2023, the Bank transferred to the National Treasury the amount of R\$ 1 billion referring to the installment.



(Convenience Translation into English from the Original Previously Issued in Portuguese)

## INDEPENDENT AUDITOR'S REPORT ON THE INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors, Management and Shareholders of  
Banco do Brasil S.A.

### **Opinion**

We have audited the accompanying individual and consolidated financial statements of Banco do Brasil S.A. and its subsidiaries ("Banco do Brasil"), identified as BB Banco Múltiplo and BB Consolidated, respectively, which comprise the balance sheet as at June 30, 2023 and the related statements of income, of comprehensive income, of changes in shareholders' equity and of cash flows for the six-month period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements referred to above present fairly, in all material respects, the individual and consolidated financial position of Banco do Brasil S.A. and its subsidiaries as at June 30, 2023, and its individual and consolidated financial performance and its individual and consolidated cash flows for the six-month period then ended in accordance with accounting practices adopted in Brazil applicable to the financial institutions authorized to operate by the Central Bank of Brazil ("BACEN").

### **Basis for opinion**

We conducted our audit in accordance with Brazilian and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the individual and consolidated financial statements" section of our report. We are independent of Banco do Brasil in accordance with the relevant ethical requirements in the Code of Ethics for Professional Accountants and the professional standards issued by the Brazilian Federal Accounting Council ("CFC"), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the current six-month period. These matters were addressed in the context of our audit of the individual and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## 1. Allowance for loan losses

The recognition of an allowance for loan losses involves judgment and the use of estimates by Banco do Brasil's Management. As disclosed in notes 3.g), 4.b) and 12 to the individual and consolidated financial statements, loan transactions and other receivables with loan characteristics are classified by risk level, based on Management's judgment, considering the parameters established by CMN (National Monetary Council) Resolution 2682/99. For this purpose, Banco do Brasil uses internal policies that consider the definition of credit risk ratings for debtors and their respective transactions, involving delinquency levels and Management's assumptions and judgments in order to represent its best estimate of the credit risk of its portfolio.

The allowance for loan losses was considered a key audit matter due to the relevance in the context of the individual and consolidated financial statements, the use of estimates and judgment by Management in determining the allowances recognized.

*How was the matter addressed in our audit?*

Our audit procedures included, among others: (a) understanding the provisioning criteria adopted by Banco do Brasil for loan transactions and other receivables with loan characteristics; (b) understanding and testing the design, implementation, and effectiveness of the relevant internal controls over the rating process of debtors and their related transactions; (c) reviewing the provisioning recognition criteria and challenging the assumptions used by Management and their compliance with the parameters set by CMN Resolution 2682/99, on a sampling basis; (d) reviewing the level of the total allowance for the existing portfolios; and (e) analyzing the appropriateness of the disclosures made in the individual and consolidated financial statements.

We consider that the criteria and assumptions adopted by Management to estimate the allowance for loan losses are acceptable in the context of the individual and consolidated financial statements taken as a whole.

## 2. Provisions for tax, civil, and labor claims

As disclosed in notes 3.m), 4.h) and 21 to the individual and consolidated financial statements, Banco do Brasil recognizes a provision for tax, civil and labor claims, arising from past events, based on Management's assessment, supported by its legal counsel's opinion, by measuring the amounts to be provisioned using the "Collective" and "Individualized" methods, depending on the type and amounts of the lawsuits. The "Collective" method is used for lawsuits considered to be similar and usual, whose individual amount is not relevant and which were developed internally by Management according to statistical parameters. The "Individualized" method is assessed periodically by the legal counsel in relation to the likelihood of loss and amounts to be provisioned.

Due to the relevance in the context of the individual and consolidated financial statements, the use of estimates and judgment by Management, we considered as a key audit matter.

## *How was the matter addressed in our audit?*

Our audit procedures included, among others: (a) assessing the design and implementation of the relevant internal controls involving the control of tax, civil and labor claims and the measurement of the amounts provisioned; (b) involving our specialists for understanding the statistical parameters used in the Collective method; (c) confirming the claims with the in-house and outside legal counsel; (d) analyzing on a sampling basis to inspect the documentation of the selected lawsuits provisioned under the individualized method; and (e) analyzing the appropriateness of the disclosures in the individual and consolidated financial statements in accordance with applicable accounting pronouncements.

We consider that the criteria and assumptions adopted by Management to estimate the provision for tax, civil and labor claims are acceptable in the context of the individual and consolidated financial statements taken as a whole.

### 3. Employee benefits

Banco do Brasil is the sponsor of private pension entities and supplementary healthcare plans, which ensure the supplementation of retirement and healthcare benefits to its employees. As disclosed in notes 3.k), 4.g) and 29 to the individual and consolidated financial statements, post-employment benefits sponsored by Banco do Brasil related to supplementary pension and healthcare are assessed in accordance with the criteria established in CPC 33 (R1) - Employee Benefits, as approved by CMN Resolution 4.877/2020.

The estimated defined benefit plan obligations involve relevant actuarial assumptions, including discount rates, among others, which are sensitive and/or involve Management's judgment, and may cause material effects on the individual and consolidated financial statements. Therefore, we considered as a key audit matter.

## *How was the matter addressed in our audit?*

Our audit procedures included, among others: (a) assessing the design and implementation of the relevant internal controls involving the measurement of actuarial liabilities; (b) involving our actuarial specialists for understanding the databases utilized and challenging the main actuarial assumptions used by external actuaries engaged by Management in the calculation of actuarial liabilities; (c) analyzing on a sampling basis the reasonableness of databases and involving our actuarial specialists for recalculating the actuarial obligations; and (d) analyzing the appropriateness of the disclosures in the individual and consolidated financial statements in accordance with the applicable accounting pronouncements.

We considered that the calculation methodology, databases and the main actuarial assumptions adopted by Management, together with its external actuaries, to estimate the employee benefit plan obligations are acceptable in the context of the individual and consolidated financial statements taken as a whole.

### 4. Information technology environment

The transactions of Banco do Brasil depend on an IT and infrastructure environment capable of supporting a high volume of transactions processed daily in its legacy information systems that provide input to its accounting records. The IT-related processes, associated with its controls, may pose risks in the processing and generation of critical information, including those used in financial reporting, justifying our consideration as a key audit matter due to the relevance in the context of the individual and consolidated financial statements.

## *How was the matter addressed in our audit?*

Upon the involvement of our IT specialists, we identified the relevant systems that support the key business activities of Banco do Brasil, and assessed the design and implementation of the general IT controls and tested the operating effectiveness of these controls, including, when necessary, the tests of compensating controls, related to information security, the development and maintenance of the relevant systems and the operation of information technology environment related to the infrastructure that supports Banco do Brasil's business.

Considering the information technology environment's processes and controls, associated with the tests previously mentioned, we concluded that they reasonably allowed us to consider the information obtained from certain systems to define the nature, timing and extent of our audit procedures in the context of the individual and consolidated financial statements taken as a whole.

## **Other matters**

### *Statements of value added*

The individual and consolidated statements of value added ("DVA") for the six-month period ended June 30, 2023, prepared under the responsibility of Banco do Brasil's Management, whose presentation is not required by accounting practices adopted in Brazil applicable to financial institutions authorized to operate by the BACEN, was subject to audit procedures performed together with the audit of the individual and consolidated financial statements of Banco do Brasil. In forming our opinion, we evaluated whether these statements are reconciled with the financial statements and accounting records, as applicable, and whether their form and content are in accordance with the criteria set out in technical pronouncement CPC 09 - Statement of Value Added. In our opinion, these statements of value added were appropriately prepared, in all material respects, in accordance with the criteria set out in such technical pronouncement and are consistent in relation to the individual and consolidated financial statements taken as a whole.

## **Other information accompanying the individual and consolidated financial statements and the independent auditor's report**

The Management of Banco do Brasil is responsible for the other information that comprises the Management Report.

Our opinion on the individual and consolidated financial statements does not cover the Management Report and we do not express any form of audit conclusion thereon.

In connection with our audit of the individual and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement in the Management Report, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of Management and those charged with governance for the individual and consolidated financial statements**

Management is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with accounting practices adopted in Brazil applicable to the financial institutions authorized to operate by the BACEN and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual and consolidated financial statements, Management is responsible for assessing Banco do Brasil's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate Banco do Brasil or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Banco do Brasil's financial reporting process.

## **Auditor's responsibilities for the audit of the individual and consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the individual and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Brazilian and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Brazilian and International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the individual and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of Banco do Brasil.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Banco do Brasil and its subsidiaries to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Banco do Brasil and its subsidiaries to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we possibly identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current six-month period are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The accompanying individual and consolidated financial statements have been translated into English for the convenience of readers outside Brazil.

Brasília, August 8, 2023

DELOITTE TOUCHE TOHMATSU  
Auditores Independentes Ltda.

Luiz Carlos Oseliero Filho  
Engagement Partner

\*Original signed.



## Audit Committee Summary Report

BB's individual and consolidated financial statements prepared in accordance with  
Bacen accounting standards  
First semester of 2023

### Presentation

The Audit Committee (Coaud), a statutory advisory board, has its attributions set by Law nº 13.303/2016 (State-Owned Entities Law), Decree nº 8.945/2016, CMN Resolution nº 4.910/2021, Banco do Brasil S.A. (BB) Bylaws and its Internal Regulations. It advises the Board of Directors (CA) permanently and with independence in the exercise of its attributions.

Coaud evaluates and monitors risk exposure through interaction and joint efforts with the Risks and Capital Committee (Coris), in line with the CMN Resolution nº 4.557/2017.

The Administrators of Banco do Brasil and its subsidiaries are responsible for elaborating and ensuring the integrity of financial statements, managing risks, keeping an effective internal control system and ensuring that activities are conducted in compliance with laws and regulations.

Internal Audit (Audit) is responsible for conducting periodic work focused on the main risks that the Conglomerate is exposed, by assessing in an independent way the risk management actions and the adequacy of governance and internal controls.

Deloitte Touche Tohmatsu Independent Auditors Ltda. (Deloitte) is responsible for auditing the individual and consolidated financial statements of BB and its subsidiaries covered by the Coaud. It also evaluates, in the context of this work, the quality and sufficiency of internal controls for the preparation and appropriate presentation of the financial statements.

### Period Activities

The activities carried out by Coaud, according to its Annual Work Plan of 2023, approved by the Board of Directors, on 12/08/2022, are recorded in minutes of meetings and have covered the set of responsibilities attributed to the Committee. Those documents were submitted to the Board of Directors, made available to the Supervisory Board and Independent Auditors, and its extracts were published on the website [www.bb.com.br/ri](http://www.bb.com.br/ri).

Coaud held meetings with representatives of Banco do Brasil's management and companies of the Conglomerate, as well as their respective Boards of Directors and Supervisory Boards, Coris, Board of Officers, Internal Audit, independent audit company and Central Bank of Brazil, in addition to internal meetings between Coaud members.

At the meetings, it addressed the topics monitored by Coaud, synthesized on the following thematic areas: internal controls system, internal audit, independent audit, transactions with related parties, actuarial, risk exposure and accountancy.

The Committee presented periodic informs of its activities and opinions related to its field of work. It addressed recommendations to management and to Internal Audit involving the main topics related to its field of work. These recommendations, after analysis, have been implemented with accompaniment of Coaud.

It did not come to Coaud's knowledge the existence and/or evidence of fraud or non-compliance with legal and regulatory rules that could endanger the continuity of the Institution.

It was not reported to Coaud any divergence between independent audit and the administration related to the financial statements.



## Conclusions

Based on the activities developed and bearing in mind the attributions and limitations inherent to the scope of its activities, the Coaud concluded that:

- a) the internal control system is appropriate to the size and complexity of the Conglomerate's businesses and requires ongoing attention by Administration;
- b) the Internal Audit is effective, has sufficient structure and budget to perform its functions and acts with independence, objectivity and quality;
- c) Deloitte acts effectively and independently;
- d) the processes related to transactions with related parties are in accordance with the BB's specific policy and current legislation;
- e) the calculation parameters and actuarial results of the sponsored pension fund benefit plans are adequately reflected in the financial statements;
- f) the risk exposures have been adequately managed by administration;
- g) the individual and consolidated financial statements adequately present, in their material aspects, the equity and financial position of BB on 06/30/2023, in accordance with the accounting practices adopted in Brazil, applicable to institutions authorized to operate by Bacen.

Brasília-DF, August 08<sup>th</sup>, 2023.

(electronically signed)

Egidio Otmar Ames

(coordinator)

(electronically signed)

Aramis Sá de Andrade

(electronically signed)

Rachel de Oliveira Maia

(electronically signed)

Vera Lucia de Almeida Pereira Elias

(electronically signed)

Walter Eustáquio Ribeiro





## Declaration of the Executive Board members about the Financial Statements

According to the article 27, § 1, item VI, of CVM Instruction No. 80 of March 29, 2022, we declare that the Financial Statements of the Banco do Brasil S.A. related to the period ended June 30, 2023 were reviewed and, based on subsequent discussions, we agree that such statement fairly reflects, in all material facts, the financial position for the periods presented.

Brasília (DF), August 07, 2023.

Tarciana Paula Gomes Medeiros  
CHIEF EXECUTIVE OFFICER (CEO)

Felipe Guimarães Geissler Prince  
CHIEF INTERNAL CONTROLS AND RISK  
MANAGEMENT OFFICER (CRO)

Carla Nesi  
CHIEF RETAIL BUSINESS OFFICER

Francisco Augusto Lassalvia  
CHIEF WHOLESALE OFFICER

Marisa Reghini Ferreira Mattos  
CHIEF TECHNOLOGY AND DIGITAL BUSINESS  
OFFICER (CTO)

José Ricardo Sasseron  
CHIEF GOVERNMENT AFFAIRS AND  
SUSTAINABILITY OFFICER

Ana Cristina Rosa Garcia  
CHIEF CORPORATE OFFICER

Marco Geovanne Tobias da Silva  
CHIEF FINANCIAL MANAGEMENT AND  
INVESTOR RELATIONS OFFICER (CFO)

Luiz Gustavo Braz Lage  
CHIEF AGRIBUSINESS OFFICER



## **Declaration of the Executive Board members about the Report of Independent Auditors**

According to the article 27, §1, item V, of CVM Instruction No. 80 of March 29, 2022, we affirm based on our knowledge, on auditor's plan and on discussions about the audit results, that we agree, with no dissent, to the opinions expressed in the Report of Independent Auditors for Financial Statements.

Brasília (DF), August 07, 2023.

Tarciana Paula Gomes Medeiros  
CHIEF EXECUTIVE OFFICER (CEO)

Felipe Guimarães Geissler Prince  
CHIEF INTERNAL CONTROLS AND RISK  
MANAGEMENT OFFICER (CRO)

Carla Nesi  
CHIEF RETAIL BUSINESS OFFICER

Francisco Augusto Lassalvia  
CHIEF WHOLESALE OFFICER

Marisa Reghini Ferreira Mattos  
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OFFICER (CTO)

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Ana Cristina Rosa Garcia  
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Marco Geovanne Tobias da Silva  
CHIEF FINANCIAL MANAGEMENT AND  
INVESTOR RELATIONS OFFICER (CFO)

Luiz Gustavo Braz Lage  
CHIEF AGRIBUSINESS OFFICER



## Members of Management

### CHIEF EXECUTIVE OFFICER (CEO)

Tarciana Paula Gomes Medeiros

### VICE-PRESIDENTS

Ana Cristina Rosa Garcia  
Carla Nesi  
Felipe Guimarães Geissler Prince  
Francisco Augusto Lassalvia  
José Ricardo Sasseron  
Luiz Gustavo Braz Lage  
Marco Geovanne Tobias da Silva  
Marisa Reghini Ferreira Mattos

### DIRECTORS

Alan Carlos Guedes de Oliveira  
Alberto Martinhago Vieira  
Antonio Carlos Wagner Chiarello  
Eduardo Cesar Pasa  
Euler Antonio Luz Mathias  
Gustavo Garcia Lellis  
Jayme Pinto Junior  
João Francisco Fruet Júnior  
João Vagnes de Moura Silva  
Julio César Vezzaro  
Kamillo Tononi Oliveira Silva  
Larissa da Silva Novais Vieira  
Luciano Matarazzo Regno  
Lucinéia Possar  
Mariana Pires Dias  
Neudson Peres de Freitas  
Paula Sayão Carvalho Araujo  
Pedro Bramont  
Rafael Machado Giovanella  
Rodrigo Costa Vasconcelos  
Rodrigo Mulinari  
Rosiane Barbosa Laviola  
Thiago Affonso Borsari

### BOARD OF DIRECTORS

Anelize Lenzi Ruas de Almeida  
Elisa Vieira Leonel  
Kelly Tatiane Martins Quirino  
Marcelo Gasparino da Silva  
Paulo Roberto Simão Bijos  
Robert Juenemann  
Tarciana Paula Gomes Medeiros

### SUPERVISORY BOARD

Bernard Appy  
Fernando Florêncio Campos  
Gileno Gurjão Barreto  
Renato da Motta Andrade Neto  
Tatiana Rosito

### AUDIT COMMITTEE

Aramis Sá de Andrade  
Egídio Otmar Ames  
Rachel de Oliveira Maia  
Vera Lucia de Almeida Pereira Elias  
Walter Eustáquio Ribeiro

### ACCOUNTING DEPT.

Eduardo Cesar Pasa  
General Accountant  
Accountant CRC-DF 017601/O-5  
CPF 541.035.920-87

Pedro Henrique Duarte Oliveira  
Accountant CRC-DF 023407/O-3  
CPF 955.476.143-00